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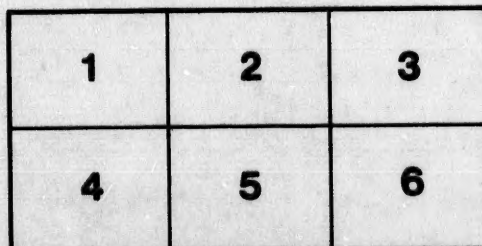
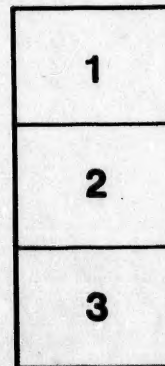
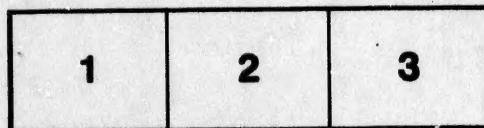
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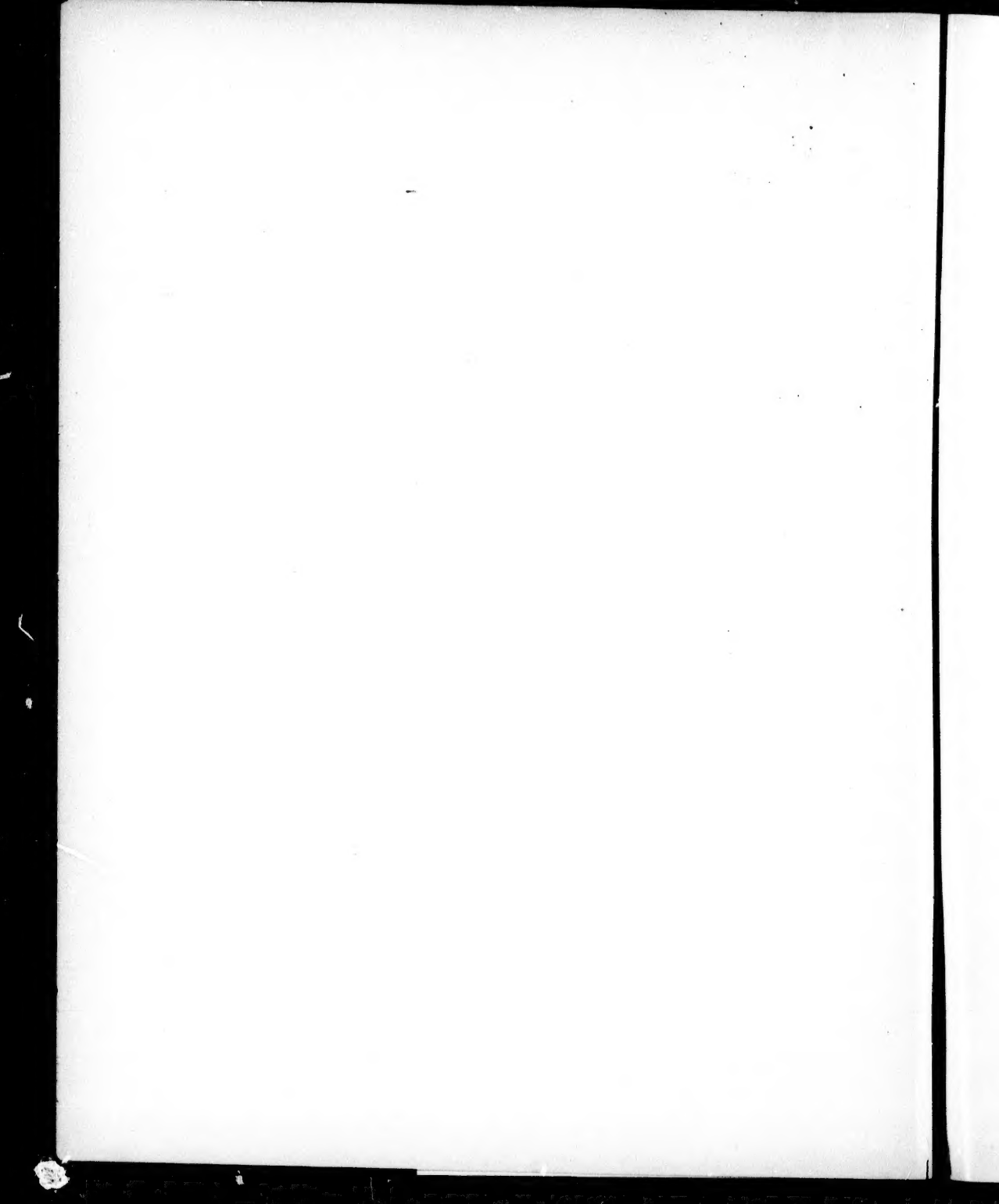
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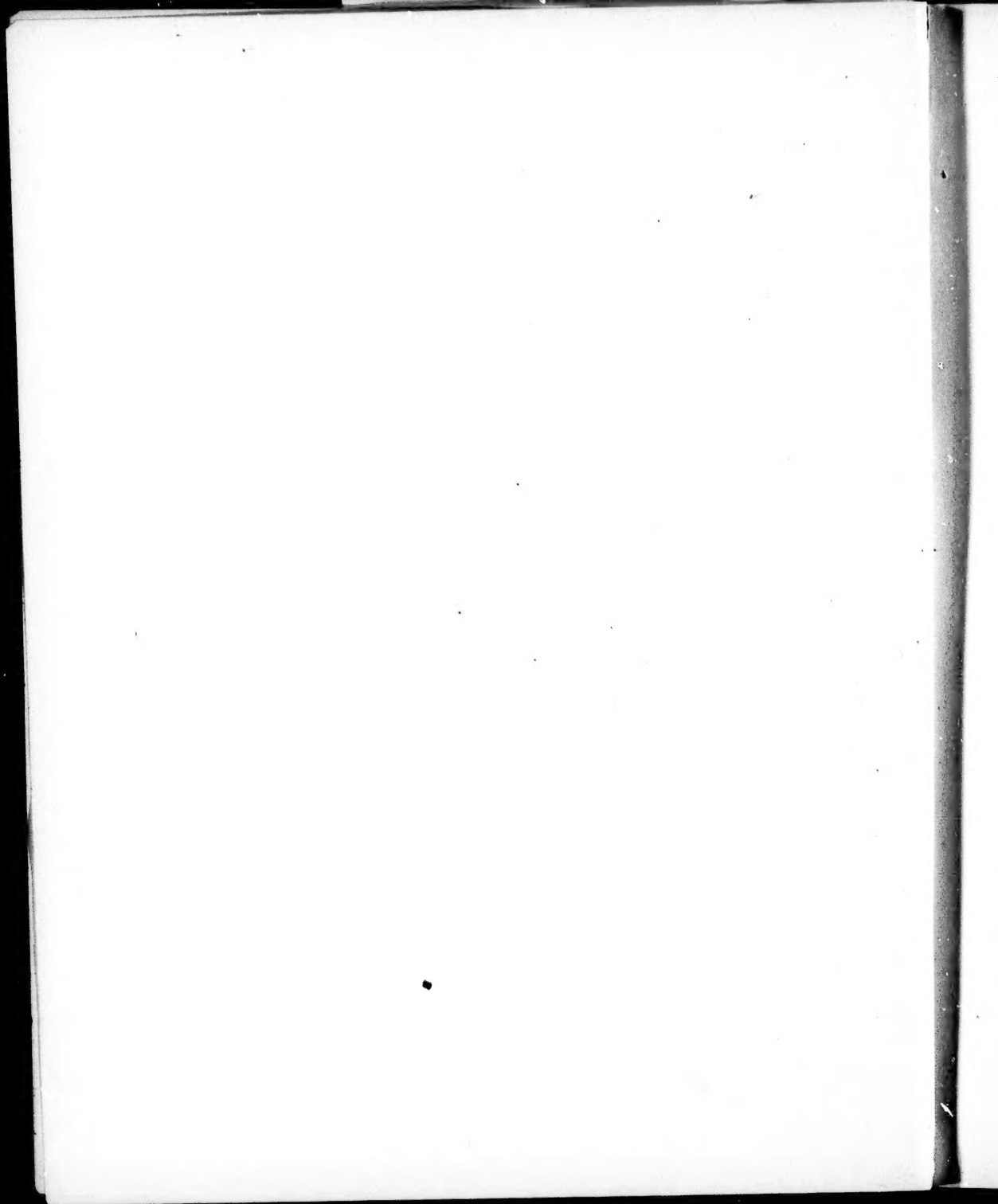
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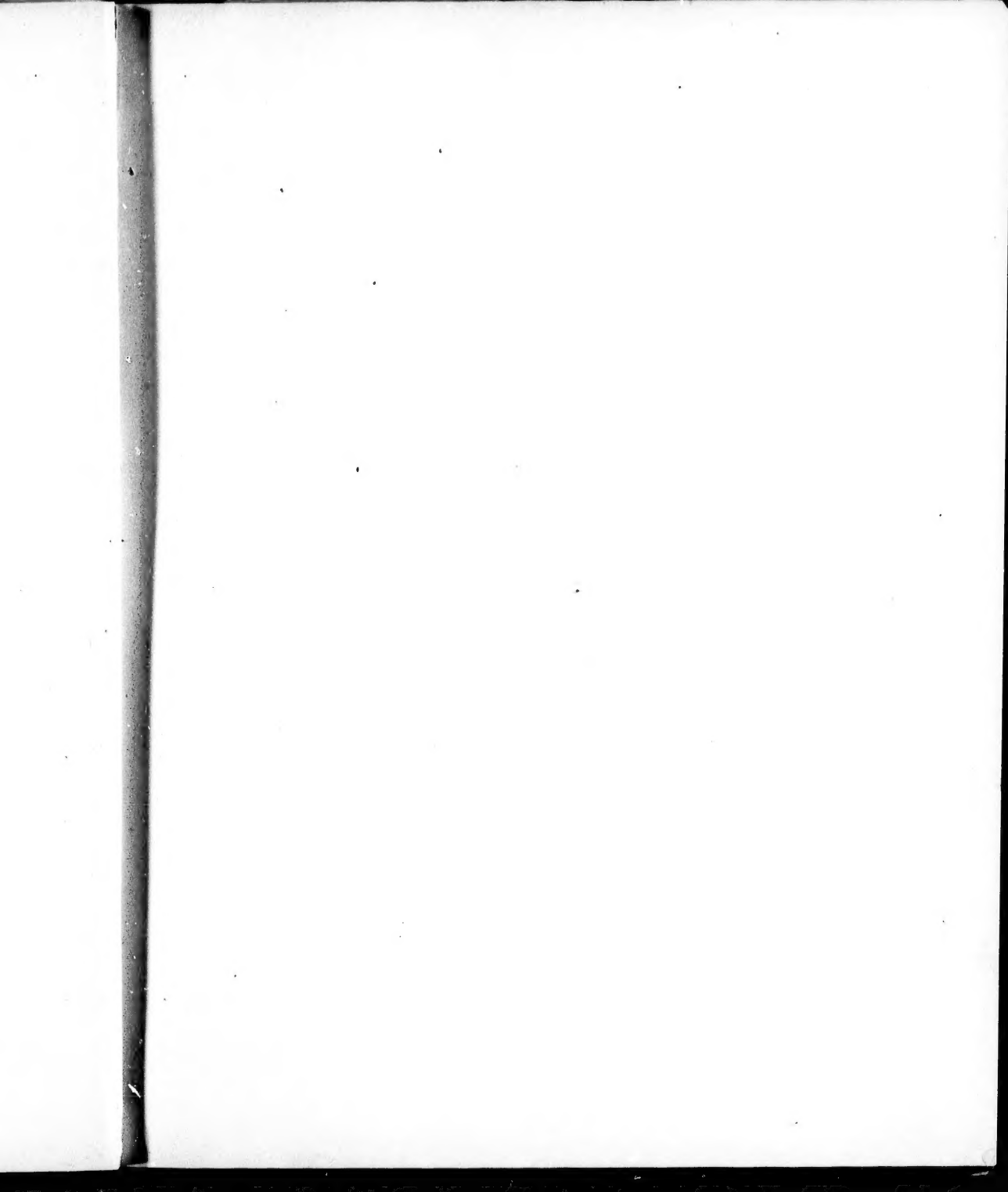
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CANADA  
AN ENCYCLOPÆDIA OF THE COUNTRY







HER MAJESTY THE QUEEN EMPRESS.

# CANADA

## AN ENCYCLOPÆDIA OF THE COUNTRY

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THE CANADIAN DOMINION CONSIDERED IN ITS HISTORIC RELATIONS, ITS NATURAL  
RESOURCES, ITS MATERIAL PROGRESS, AND ITS NATIONAL DEVELOPMENT

---

BY A CORPS OF  
EMINENT WRITERS AND SPECIALISTS

---

IN FIVE VOLUMES

---

EDITED BY

**J. CASTELL HOPKINS**

Author of *Life and Work of Sir John Thompson*, *Life and Reign of Queen Victoria*, *Life and Work of Mr. Gladstone*, *The Sword of Islam: or Annals of Turkish Power*.

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ILLUSTRATED

VOLUME I.

THE LINSOTT PUBLISHING COMPANY  
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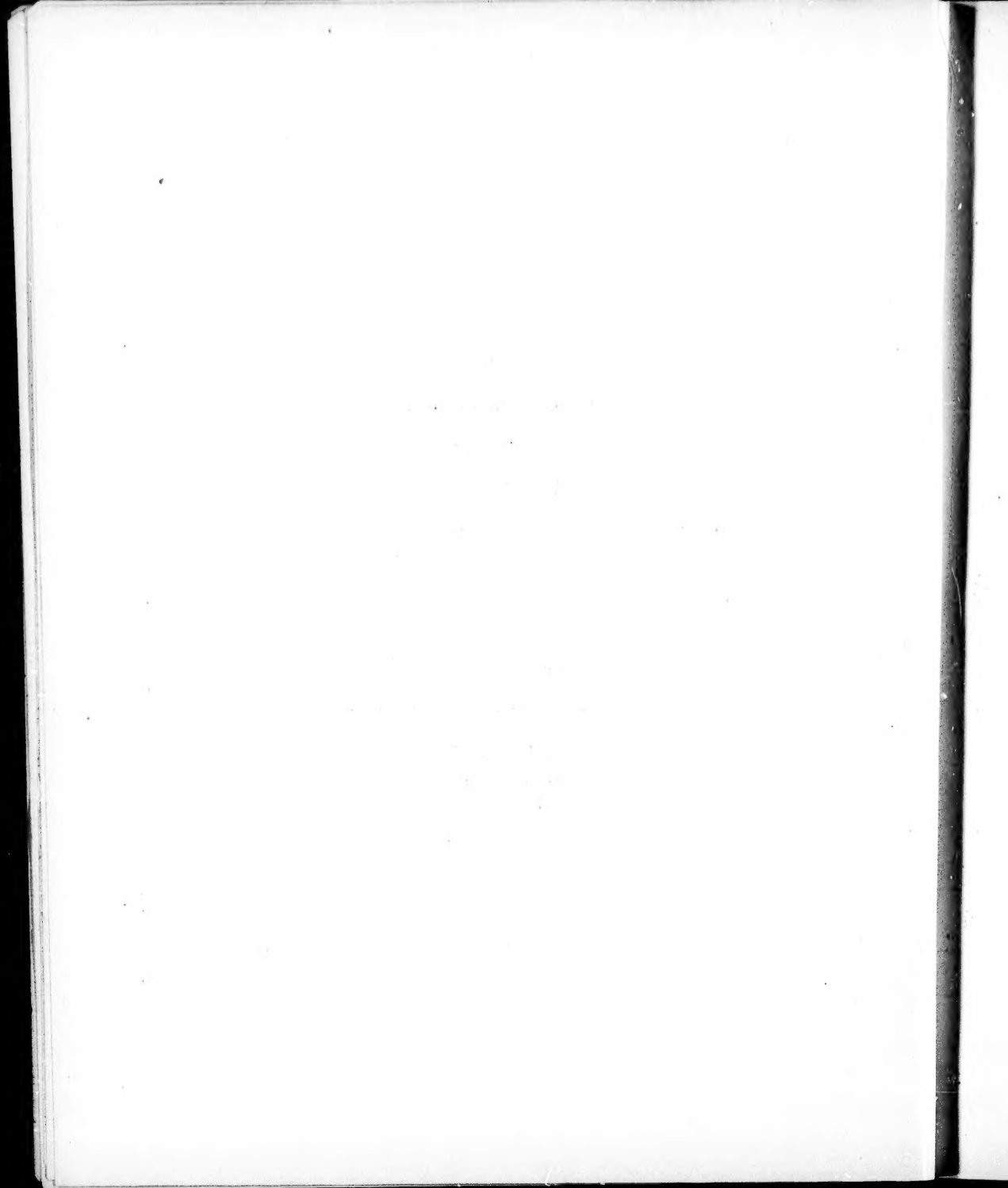
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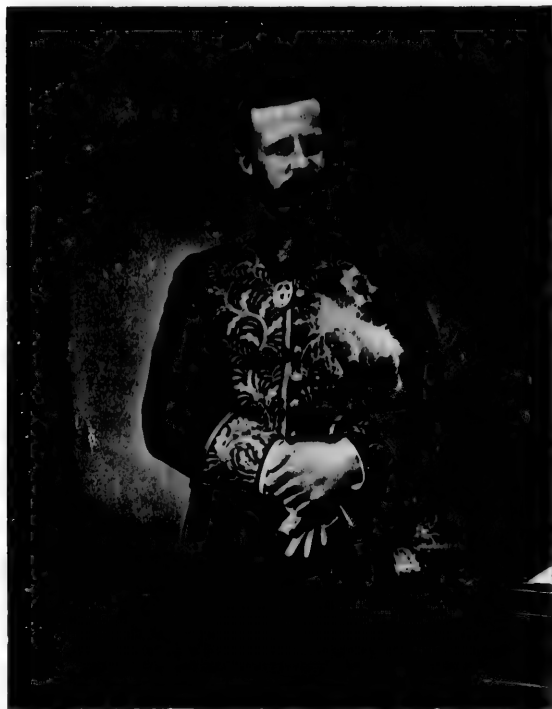
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To  
Her Most Gracious Majesty  
Victoria  
Queen and Empress

whose personality has become enshrined in the affections of the  
British people all over the world; whose example has crystallized  
high ideals of purity and honour in the homes and lives  
of her subjects; whose interpretation of Constitutional  
Government has engraved Monarchical principles deep  
in the public mind and heart of the Empire,

This  
Record of Her Canadian Dominion  
Is by Express Permission  
Respectfully Dedicated





HIS EXCELLENCY, THE EARL OF ABERDEEN, G.C.M.G., P.C.  
GOVERNOR GENERAL OF CANADA.





## PREFACE

RV

HIS EXCELLENCY THE GOVERNOR-GENERAL OF CANADA

**T**HAT a country should require an Encyclopædia implies that it has a history and a future. And not only so, but to justify such an undertaking the country must possess encyclopædic features : comprehensiveness in extent, in resources, and in capabilities of development. That these attributes apply to Canada is a well-ascertained and recognized fact.

The first requisites for the success of such an enterprise as the present, viz. : occasion and scope, being thus provided, the next essential, that of execution, has to be considered. Here, also, there is every ground for confidence and satisfaction regarding the prospect. Mr. Castell Hopkins, the Editor, has already earned a reputation and has made his mark in Canadian literature. In particular he has proved that he possesses among other qualities those which are the most indispensable in carrying out a work of this kind, including readiness, energy, facility of expression, and the capacity for rapid accomplishment of work.

The undertaking is indeed no light one. The present volume will comprise the treatment of the early history and constitutional development of the Dominion, as well as a record of its fiscal and banking progress ; and four subsequent volumes will be required for the complete treatment of the various subjects included in the general scheme. The contemplation of these arrangements suggests the thought that while to every literary undertaking of any magnitude the simile of a vessel is more or less appropriate, the metaphor is more particularly applicable to such an enterprise as this. In the present case it may safely be said that the lines of construction have been carefully devised and prepared, and that an auspicious launch may be anticipated, to be succeeded by a long and prosperous voyage.

Thus the Encyclopædia of Canada, fitly inaugurated in this ever memorable year of that inspiring landmark in British history, the Diamond Jubilee of Queen Victoria, may confidently be regarded as a practical advantage not only to Canada, by means of the information which it will afford to those who are actually engaged in the work of her development, but also to the people of the Mother Land, by whom Canada is regarded with ever-increasing confidence and pride.

*Blunden*

## INTRODUCTION

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THE DOMINION OF CANADA is set by nature in a position of which its people have reason to be proud. It has unbounded agricultural resources and immense mineral wealth. Its inland lakes and teeming fisheries ; its vast forests and thousands of miles of sea coast ; its geographical situation in northern and vigorous latitudes midway between Europe and Asia ; its pivotal position in regard to the maritime supremacy, the commercial progress, and the transportation facilities of the British Empire ; combine to merit, and should produce, both prosperity and power. Canada, in fact, requires only to be known in order to be great. But its own people are not as well informed of the history, resources and development of the country as they ought to be, and for that reason, if no other, can well afford to overlook the occasional ignorance shown by their fellow-subjects elsewhere. The time has passed, however, when this lack of knowledge should be condoned, and it certainly should now cease to be a factor in holding back the Dominion from progress at home and success abroad.

Evidences of appreciation, sympathy and kinship have been showered upon the Dominion during the Diamond Jubilee year of the reign of its gracious Sovereign, but there is ample room for more knowledge in Great Britain and elsewhere concerning its past, its present, and its future possibilities. There is also scope for a better appreciation in Canada itself of the remarkable annals which its dual nationality and complex political evolution have produced. The combination of French enterprise, chivalric bravery, and intense devotion to King and Church, with British courage, colonizing heroism, and commercial aggressiveness has produced a pioneer history which fairly teems with incidents of national interest and international importance. The shrouded figure of the Indian stalks through its pages in silent, stoical, gloomy picturesqueness ; varied developments of discovery and war, trapping and hunting, pioneering and settlement, find, or should find, a prominent place in the records of its writers ; a marvellous variety of fiscal experiment and experience furnishes one of the most interesting economic studies in all history ; while the story of Canadian loyalty to the Throne and adherence to British connection presents a picture as striking and stirring as any which has appeared in the annals of the world.

Hence the value which such a work as this should have if properly carried out upon the lines projected. The co-operation with which the Editor has been honoured is at least an indication of the national desire for authoritative information about Canada upon a broader basis than that furnished by isolated historical works, or necessarily limited official publications. The Editor's aim has been to produce a work which should bear the stamp of authority through the reputation of its contributors and the character of its contents ; provide all reasonable information upon every important topic in Canadian history, life, achievement, and development ; convey to those who seek its pages a general view or picture of Canada in its internal and external relations ; and give at the same time details to the specialist which will either afford the knowledge sought or enable him to obtain it elsewhere at a minimum of time and trouble. Through the help of the many eminent men in Canada and Great Britain who have promised their aid, it is hoped that the work will in reality prove a library of Canadian information.

How far such an ambitious aim may have been realized in the subjects treated of in this present volume it is not for the Editor to say. He can only labour towards a certain end, and hope that some measure of success will result. A few words of explanation may not, however, be out of place. The method of arrangement—in fact, the whole plan of the work—is original, and the reader will look in vain for any exact precedent for its style and fashion. The designation itself can be merited only by the encyclopædic nature of its contents, and not by comparison with the construction of other Encyclopædias—the idea being that each contributor shall have his signed article under some suitable title, followed by Editorial Notes completing or amplifying his treatment of the subject, and connecting it with the next article upon the same lines and within the same Section. It will also be seen that the work is national and not universal in its scope.

For the Notes to the various contributions the Editor desires to assume entire responsibility, and to their preparation he has given the result of much labour and the study of years. They will probably be found of especial

value to the student who has not time, or the reader who has not the inclination, to consult ponderous and scarce files of daily papers, or almost forgotten records of British, Canadian, and American official documents. Many points of historic importance now buried in rare volumes, amidst vast library accumulations, will, it is hoped, be in this way brought to light. It may be also said in passing that, although not in any sense a biographical work, a few details of men intimately connected with the historical text will be occasionally given, and in connection with the article in this volume upon Canadian Pioneers of Trade, a few almost random sketches of typical and representative men in the earlier days of Canadian development will be found. Every effort has been made to keep the contents free from political bias, although the special contributions must of course reflect the opinions of the different writers. In the Trade and Tariffs' Section of this volume it will be noticed that Mr. Charlton's article is of a controversial nature, and that the Editor, in a separate contribution, has presented some phases of the other side of the important question discussed. Upon several of the greater topics dealt with in such a work it is indeed absolutely necessary to have the different schools of political thought and action presented. The Tariff policy of Canada and the Manitoba School question are cases in point.

To attempt more than a general expression of thanks at this stage would be an impossibility. In the last volume it is intended to publish a bibliography of Canadian works, or works dealing with Canada, which will show the sources of much information, and where more can be obtained. To His Excellency the Earl of Aberdeen, who during his residence amongst us as Governor-General of Canada has done much to foster and encourage Canadian literature, most grateful appreciation is due. To Sir Wilfrid Laurier, the Prime Minister of Canada, Sir Charles Tupper, the late Premier, Sir Henry Strong, Chief Justice of the Supreme Court, and Sir Alexander Lacoste, Chief Justice of the Court of Queen's Bench in Quebec, who have consented to help by the writing of Prefaces in the forthcoming volumes—as well as to the many eminent contributors in this and other portions of the work—the Editor's most sincere thanks are offered. His warmest appreciation is also tendered to Mr. James Bain, Jr., Chief Librarian of the Toronto Public Library, Mr. Avern Pardoe, of the Ontario Legislative Library, and Mr. George Johnson, Dominion Statistician at Ottawa, for much assistance given. Grateful acknowledgments are also due to Mr. John B. Magurn, of Toronto, and Messrs. Notman Bros., of Montreal, in connection with some of the illustrations. And it may not be out of place for the Editor to say something of the hearty co-operation and assistance afforded him by the Publishers, and especially by the President of the Company, the Reverend T. S. Linscott.

Without further words this Volume must be left to its fate—whether that be one of public appreciation or public criticism. The latter it will no doubt receive in some measure, but the hope is cherished that the work as a whole will prove of substantial service to very many seekers after information, and to others who do not particularly require works of reference may, through the thoughts and words of its contributors, help towards making Canada better known as a youthful and rising British nation upon this American continent. May it especially assist in impressing upon our people, through that greatest of all influences—knowledge—the aspirations so beautifully embodied in a verse by Miss Agnes Maule Machar:

"The stamp of true nobility, high honour, stainless truth;  
The earnest quest of noble ends; the generous heart of youth;  
The love of country, soaring far above dull party strife;  
The love of learning, art, and song—the crowning grace of life;  
The love of science, soaring far through nature's hidden ways;  
The love and fear of nature's God—a nation's highest praise."

*J. Castell Hopkins*

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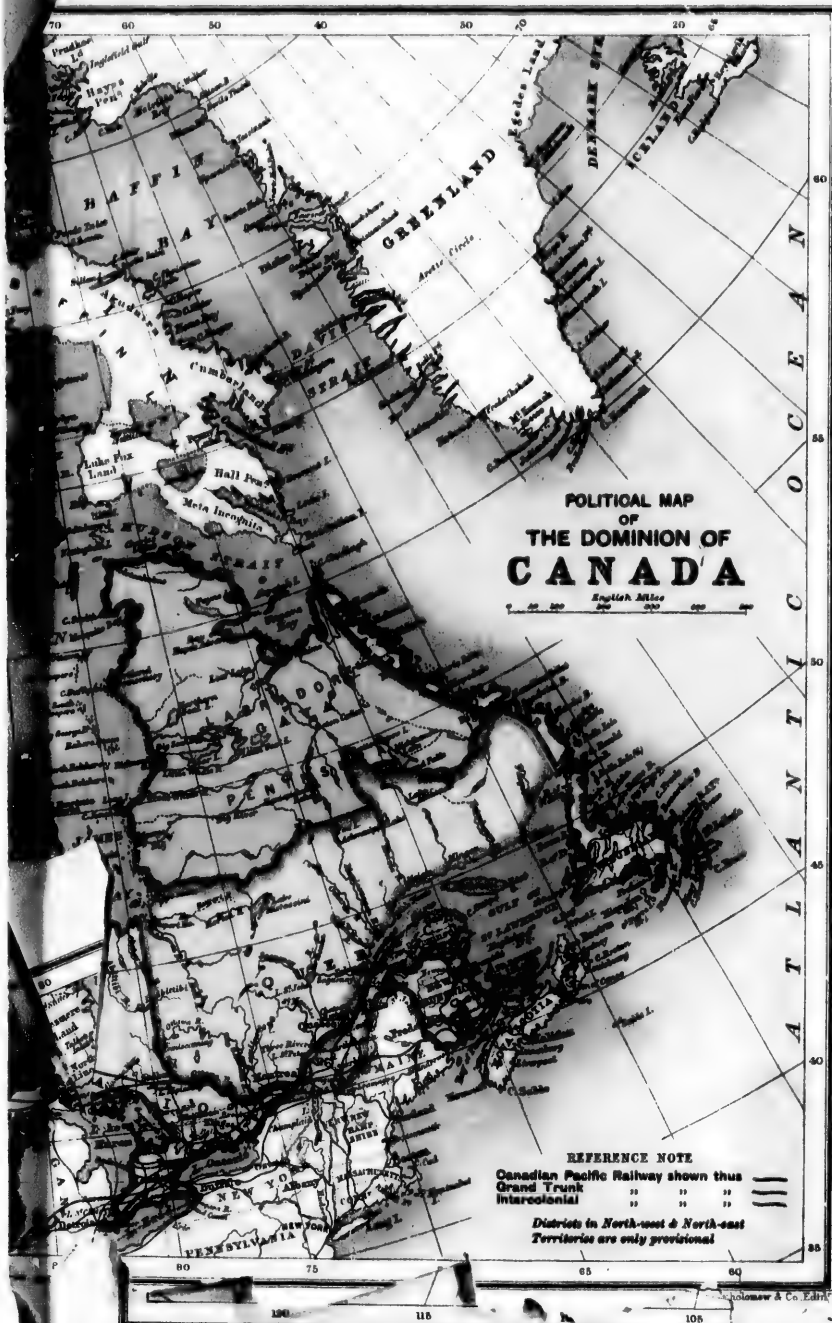
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POLITICAL MAP  
OF  
THE DOMINION OF  
**CANADA**

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REFERENCE NOTE  
Canadian Pacific Railway shown thus  
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## VOYAGES AND DISCOVERIES OF THE CABOTS

BY

THE REV. M. HARVEY, LL.D., F.R.S.C.

FOUR hundred years ago, on the 2nd of May, 1497, a little vessel of some sixty tons burthen took her departure from the port of Bristol and turned her prow towards the stormy, unknown wastes of the North Atlantic. On her stern she bore the name, "*The Matthew of Bristol*." Her commander was John Cabot, a Venetian by birth, but for some time resident in Bristol. He had obtained a patent from Henry VII. of England for the discovery of new lands to the westward, and with a crew of eighteen stout west country sailors he now embarked on his perilous enterprise.

The expedition attracted little or no attention. In silence, without any pomp or circumstance, the little craft spread her sails on this bright May morning and dropped down Bristol Channel unnoticed among the other tiny vessels that then furrowed its waters.

We do not know the name of a single officer or sailor on board the *Matthew*, and even of her brave commander, John Cabot, we know very little. We must judge these daring navigators by their deeds, for perhaps never was there an enterprise having such far-reaching consequences and exciting such an influence on the destinies of humanity of which so little notice was taken at the time, and so few and meagre records been preserved. So far as known no diary was kept on board the *Matthew*, and her commander gave to the world but little account of what took place beyond the bare results of the voyage.

The voyage of Columbus has had thrown around it the glamour of poetry and romance. History has gathered into her golden urn every incident connected with the great enterprise, and eloquent pens have told the thrilling story in every variety of picturesque detail. But of the voyage of Cabot, fraught with such vast results,

almost nothing is known. The records which have floated down to us were mostly written long after the event, and are of the most meagre and unsatisfactory description.

Hence, while from the writings of Columbus and those of his contemporaries, we are able to form a vivid idea of the man himself, of his heroic character and great achievements, so that his name is a household word, and his life history a part of our literature, John Cabot is a mere shadow looming dimly from the darkness of the past. He has been till recently almost forgotten, his great discoveries overlooked, and his services to England and humanity ignored. No honours have been paid to his memory, and it is only now, after a lapse of four hundred years, that the public conscience seems to be awakening to the injustice done to the name and memory of a great man, and that the wrongs of centuries seem likely to be righted. "The great soul of the world is just," no doubt, but it is often up hill work to convince the world as to who have been its true benefactors, and are entitled to its admiration and reverence. Cabot's hour has come at last, and the accumulated dust of centuries will be cleared away from his memory, and due honour paid to the man who pioneered the way for the English speaking race which has now overspread the continent of North America.

Not for a moment would I attempt to detract from the glories that encircle the great name of Columbus. His achievement must be regarded as the most important in the annals of the world. He raised the curtain that shrouded the abysses of the western ocean, and revealed a new world of boundless wealth and marvellous extent and beauty. He at once doubled the habitable globe, and gave a new direction to men's thoughts and efforts. The new world reacted on the old, and

through the competition which was awakened among five of the great nations of Europe for the possession of the new territory, the whole course of European politics was altered. By Columbus a connection which could never be lost was established between the two hemispheres. His discovery of America was one of those unique achievements which can never be repeated, and for all time must encircle the name of the doer with imperishable renown.

One noble deed leads to others. The grand achievement of Columbus fired the soul of John Cabot with the idea that he too could do something great for the honour and advantage of his adopted country. The thought that possessed his mind was that by taking a northwest course across the Atlantic, instead of the southwest route of Columbus, he would reach, by a shorter voyage, the eastern coast of Asia. He hoped to open up intercourse with China and Japan, or as they were called by Marco Polo, Cathay and Cipango. Like Columbus he achieved far more than he dreamed of. He little suspected that between him and the eastern coasts of Asia there lay a vast continent and the waters of the Pacific Ocean. But the glory of his achievement lay in this—that he was the first who saw the mainland of the American continent; and a year before Columbus touched the margin of that continent, in the neighbourhood of Veragua, and before Amerigo Vespucci made his first voyage across the Atlantic, Cabot landed on its shores, and coasted them for hundreds of miles. His hoped-for communication with China and Japan, in this direction, had to be adjourned for three hundred and fifty years; but by the energy and enterprise of the English-speaking race, whose way he had pioneered, this intercourse has at length been established. Roads of steel, steam-driven vessels, and telegraphic wires have linked Cathay and Cipango to England and the rest of the world across the Canadian part of the continent of North America and the waters of the vast Pacific. The old idea has been realized in a new and more fully developed form. After four hundred years the western path to Cipango and Cathay has been found. "There is nothing new under the sun."

The discovery of Cabot was only second in greatness to that of Columbus. Indeed, in some

respects, the former had the more difficult task. While the path of Columbus lay in genial climes, amid summer seas and pleasant breezes, Cabot's course led him across the North Atlantic, the stormiest sea in the world, strewn with icebergs and icefields and often swept by fierce tempests. While the course of Columbus, ever bending to the south-west, brought him into "the Mar de Damas, the ladies' sea," where with "the blue above and the blue below," there is almost perpetual summer, and storms are almost unknown, Cabot had to face the scowling waves of a grim unknown sea, with its fogs and dangerous currents, and to grope his way without knowing where land would be found. Columbus had the Azores as a half-way port; Cabot had two thousand miles of unbroken ocean, never furrowed by European keel since the days of the Norsemen, five hundred years before. Equally with Columbus he had to confront the dark unknown, but under greater perils, where, as Pasqualigo informs us, "he wandered about for a long time." It needed a stout heart and a resolute spirit to launch out into these wild waters for the first time in a little caravel—a mere cockle-shell—in which most men would now hesitate to take even a short coasting voyage. But Cabot and his bold west-country sailors did not quail; and they have placed their names high on the rolls of fame by conquering a new world for England.

For in point of fact, the day on which the *Matthew* sailed from the port of Bristol was an historic moment, on which hung the destinies of millions. Cabot, as we have seen, was the real discoverer of North America. In virtue of his discoveries England established her claim to the sovereignty of a large portion of these northern lands. That passion for colonization which has since dotted the globe with English colonies was then first kindled. In Newfoundland, and as a consequence of Cabot's discovery, England was afterwards to try "her prentice hand" in planting colonies. Here was her eldest-born colony, "the beginning of her strength"; and the "swarming" tendency thus developed, has gone on deepening and strengthening ever since.

That England is now a world-empire, and not confined to her own small islands and narrow seas, but has spread her millions of sons and daughters

over both hemispheres, is largely owing to Cabot's great discovery. It led first of all to the occupation of a large portion of the northern continent. The fish wealth of the surrounding seas first attracted English fishermen. Battling with the billows, these hardy fishermen became expert and fearless sailors; built up the British navy; and helped to lay the foundations of that sea-power and maritime supremacy which England has preserved from the days of Elizabeth to those of Victoria. Enormous wealth was drawn from those North American fisheries. For their protection colonies were first planted, and these led on to greater developments. Other nations, such as France, came to share in the spoils, but were finally compelled to retire from the field. To the daring genius of the Cabots we largely owe it that North America is to-day almost entirely occupied by an English-speaking population, with all their vast energies and accumulated wealth. The honour of England was pledged to keep what the daring enterprise of her seamen had discovered. But for this voyage of Cabot, Spain might for a long time have monopolized discovery in North as well as South America. English and French enterprise might have taken different directions and the history of North America might have been shaped in a different fashion. England might not have developed into a great mother of colonies, and have failed to become the dominant sea-power of the world and the ruler of the waves. The coming of the little *Matthew* into these western waters heralded the approaching supremacy of the English race.

Meantime, we must try to follow the little caravel which left Bristol on the 2nd of May, 1497, as it struggled westward, a mere speck in the world of waters. Pacing its deck we see, "in our mind's eye," the heroic man who is about to throw open the gates of the North Atlantic. Is there not a moral grandeur around him, as with eyes kindling with the fires of faith and hope, he blesses every breeze that wafts him from the abodes of civilized men into the grim wilderness of unknown waters? His resolution is inexorable as doom as he sails boldly westward, far beyond the bounds where the most daring have ventured before. The rude winds pursue their wild revels, indifferent to his fortunes; the black billows leap around his

little barque, threatening to swallow it up; but the heroic heart refuses to turn back. The invisible seems to him to whisper, "Onward!" A hand is stretched out to him from the darkness, and in faith he grasps it. His prophetic eye sees the fair lands to which he is opening a pathway.

Still, it was a hard battle, and doubtless hope often wavered. For fifty-two days the tiny craft had been struggling with the waves, and still there was not the faintest indication that land was near. There were no bright tropical birds, as in the case of Columbus, to alight on his mast-head, and cheer him onward to the land from which they came. But as the sun rose on the morning of the fifty-third day—the 24th of June—the welcome cry of "Land ho!" rang out from the mast-head of the *Matthew*, and west-country sailors greeted the sight of the new land with hearty English cheers. It was a memorable day, only second in importance to that on which Columbus and his companions gazed on the shores of San Salvador.

How we should like to know more of the welcome with which these English sailors greeted the first sight of land; how they gathered round their brave commander with cheers and congratulations; and with what ceremonial forms Cabot landed and planted in the soil the flag of England, and that of St. Mark (being a citizen of Venice), and also a large cross, thus unconsciously taking possession of a continent for his Sovereign. But of this momentous event we have but the briefest record, by the hand of an Italian merchant in London, who met Cabot on his return. "The English," said Carlyle, "are a dumb people. They can do great acts but not describe them. Like the old Romans and some few others, their epic poem is written on the earth's surface: England—her mark."

Cabot gave to the spot where he landed the name of Prima Vista. There is no reason for supposing that he, any more than Columbus, knew of the greatness of his discovery, or even suspected that he had touched the margin of a new continent. He reported on his return that he had reached the territory of the Grand Khan, so that, like Columbus, he thought the western coasts of the Atlantic, where he landed, were the eastern coasts of Asia.

After spending some twelve or fourteen days in

exploring further along the coast Cabot turned his prow homeward, his provisions probably running low, and on the 6th of August he arrived at Bristol, having been absent ninety-six days. No cheering multitudes, or waving flags, or salvos of artillery greeted Cabot on landing, after his memorable voyage. So far as known his return received no public or official notice, and called forth no popular rejoicings. His discovery was neither understood or appreciated. Probably his voyage was considered a failure, as it brought no immediate gain—no news of gold, or spices, or prospects of profitable trade. Two Bristol chroniclers, however, took the trouble of making a note of the event. One old manuscript, still in existence, records that "This year (1497) on St. John the Baptist's Day, the land of America\* was found by the merchants of Bristowe, in a ship of Bristowe called the *Matthew*, the which ship departed from the port of Bristowe on the 2nd day of May, and came home again the 6th of August following." Another Bristol manuscript has the following record, in briefer terms: "In the year 1497, the 24th of June, on St. John's Day, was Newfoundland found by Bristol men in a ship called the *Matthew*." Both of these ancient documents agree as to the date of the discovery of land and the name of the ship, and both fail to mention the discoverer whose genius and courage pointed the way which so many thousands have since followed. Such too often is fame among contemporaries. The world's great men—the benefactors of their race—are too frequently, when living, treated with neglect or bitter contempt, but after generations recognize their merits and do justice to their memories. Bristol will this year make amends for its neglect of the living Cabot. On the fourth centenary of his discovery a statue of its greatest citizen will be unveiled in Bristol, and a noble orator (Lord Dufferin) will pronounce his eulogium, and twine fresh wreaths of *immortelles* around his name.

It would appear that Cabot made but a brief stay in Bristol and went on to London, no doubt to report himself to King Henry. What was his reception there? Did his grateful sovereign summon him to his royal palace, as did Ferdinand in

the case of Columbus, and in the midst of his assembled courtiers, listen to the tale of his marvellous achievement, give him thanks for the immense service done to his realm, and heap rewards and honours on his head? No such thing. Henry sent him ten pounds and evidently thought he acted generously, as he hastened to make an entry of this benefaction in his Privy Purse accounts, which are still to be seen in the British Museum, in the following curt terms: "August 10th, 1497. To Hym that found the New Isle, £10." This stinginess on the part of Henry is rendered more flagrant by the fact that in the patent he granted to John Cabot and his sons, he stipulated that the enterprise should be carried out "upon their own proper costes and charges," but that "the aforesaid John and his sonnes and heirs is bounden of all the fruits, gaines and commodities growing of such navigation, to pay unto us, in wares or money, the fifth part of the capital gain so gotten." Never did a monarch obtain a continent on such easy terms.

There is an old letter which some years ago was brought to light in Milan, written by Lorenzo Pasqualigo, a Venetian gentleman then resident in London. It bears the date of August 23rd, 1497, and is addressed to his brother in Venice. In it the writer says: "This Venetian of ours, in a ship from Bristol in quest of new islands, is returned and says that 700 leagues hence, he discovered *terra firma*, which is the territory of the Great Khan. The King is much pleased with the intelligence. He has also given him money wherewith to amuse himself, and he is now in Bristol with his wife who is a Venetian woman, and with his sons. His name is Zuan Cabot, and they call him the Great Admiral. Vast honours are paid to him, and he dresses in silk; and these English run after him like mad people, so that he can enlist as many of them as he pleases."

It would appear from this record that the achievement of John Cabot touched the hearts of some of the people, whatever Henry and his courtiers may have thought of it. But the shoutings of a street crowd soon died away, and the King's present of ten pounds (equal in purchasing power to about one hundred pounds of our money) was soon exhausted in the pleasures of a brief holi-

\* "America" is, of course, a later interpolation.

day; and in a few years Cabot's name was almost forgotten.

It would, no doubt, be very gratifying if we knew with certainty the exact spot on which Cabot landed and planted the banner of St. George. To erect his statue, or some suitable monument on that spot, on the fourth centenary of his discovery would be an act of historic justice, redressing, as far as we are able, the wrongs of the past. But even this is impossible. Nothing approaching to absolute certainty regarding his landfall is now attainable. Historians and antiquarians differ widely on this point. It is certain that Cabot made a record of his landing-place. In the State Archives of Milan a letter has been found, some thirty years ago, in which Raimondo di Soncino, writing under date 18th of December, 1497, to the Duke of Milan, says among other things: "This master Zoanne Caboto has the description of the world in a chart, and also in a solid globe which he has made, and he shows *where he landed*." The Spanish envoys, Pueblo and Azala, writing between August 24th, 1497, and July 25th, 1498, mention having seen such a chart and globe, but unfortunately they are lost. It can hardly be doubted that Sebastian Cabot, afterwards, would write an account of his father's voyage and delineate his course on a chart. Writing in 1582, some twenty-five years after his death, Hakluyt tells us that Sebastian Cabot's papers were then "in the custody of William Worthington, and were shortly to be printed." In some mysterious way they disappeared, and not a fragment of them is known to be in existence; and not a solitary line written by John or Sebastian Cabot has escaped the wreck of time. It is not wonderful, therefore, that with such meagre and fragmentary records of contemporaries as are left us, there should be such a diversity of opinion in regard to Cabot's landfall.

Among historians and geographers there are at present three leading theories as to Cabot's landfall. Some place it at Cape Bonavista, on the eastern coast of Newfoundland. Others hold that it was on the coast of Labrador, but differ widely as to the latitude of the place; while an increasing number of the ablest writers are in favour of the most eastern point of Cape Breton Island. The most recent and the most careful researches point

in the direction of the last-named locality as the true landfall, and by some of the best authorities probabilities are now pronounced to be strongly in its favour. Mathematical demonstration on such a point is, of course, out of the question; moral certainty alone is attainable. But the evidence now accumulated, chiefly from a study of the oldest and most reliable maps, reaches a high degree of probability; while an impartial examination of the proofs presented by the supporters of the other two theories shows that they are entirely insufficient.

In regard to Bonavista, in Newfoundland, its claim rests on a vague tradition or assumption, for which no tangible proof can be adduced. Probably, the name, which is Portuguese, suggested to after-generations that "happy sight" must also have signified "first sight"; and that therefore Bonavista must have been the first land seen by Cabot. The mistake crept into general literature, and has been repeated by many writers who did not give the matter any consideration. But it must be remembered that Cabot was himself an Italian sailing on a voyage of discovery under the patent of an English monarch, and with an English crew, and was, therefore, very unlikely to give a Portuguese name to his landfall.

In favour of the Labrador theory many high authorities might be cited. But without going into the controversy at any length, there seems to me to be one conclusive objection to Labrador having been the landfall of Cabot's first voyage. He made land on the 24th of June. At that date the coast of Labrador is beset by ice and icebergs at the alleged latitudes—56° to 58°—and is rarely, if ever, accessible so early in summer, especially by vessels approaching from the eastward. In any case, Cabot, had he made his way to this part of the coast on the 24th of June, must have seen immense quantities of ice. Now, we have several accounts of the first voyage, the most reliable being that of Pasqualigo. He mentions that Cabot saw "felled trees, and snares for catching game," and speaks of the tides being slack, but makes no mention of ice or any difficulties connected with it. Further, John Cabot told Soncino, "that the land he saw was excellent, and the climate temperate." Such description could not apply to Labrador.



The positive evidence in favour of the Cape Breton theory is cumulative and derived from several reliable sources; and in the aggregate, presents such a formidable array that it would be difficult, if not impossible, to set it aside. Dr. S. E. Dawson, of Ottawa, in an exhaustive monograph read before the Royal Society of Canada, in 1894, and in a sequel presented in 1896, has massed his evidence so skilfully that to the writer he seems to have settled the long-debated question. No source of information had been left unexamined. Dr. Dawson's local knowledge of the region and of the adjacent islands and coasts is turned to admirable account; while his refutation of competing theories is complete. No one who wishes to study the vexed question should over-look these important papers which appear in "The Transactions of the Royal Society of Canada."

The brief space allotted to this article does not permit me to enter minutely into this controversy. It must suffice to state that Dr. Dawson rests his argument mainly on the famous map drawn, in 1500, by the Biscayan pilot, Juan de La Cosa, who sailed with Columbus on his first and second voyages. The importance of this map in determining Cabot's landfall can hardly be over-rated. Fiske, in his "Discovery of America," writes: "So far as is known, this is the earliest map in existence made since 1492, and its importance is very great. La Casa calls La Cosa the best pilot of his day. His reputation as a cosmographer is also high. The map is evidently drawn with honesty and care." By a careful study of this map, combined with many other sources of information, Dr. Dawson has reached the conclusion that the most eastern point of Cape Breton Island—indicated on this map as "Cavo Descubierta" or "the discovered cape," is the *prima terra vista*. He also shows that this map of La Cosa's was beyond all reasonable doubt, based on John Cabot's own map which Pedro de Ayala, the Spanish Ambassador, had from him, and promised in July, 1498, to send to King Ferdinand; so that we have here John Cabot indicating his own landfall in a Spanish translation!

A second patent was granted solely to John Cabot, dated February 3rd, 1498, authorizing him to sail with six ships "to the land and isles of late found by the said John in our name

and by our commandment." This patent was evidently a supplementary commission. Strange to say from this date John Cabot's name disappears from contemporary records. Whether his death took place before the expedition was ready, or soon after its return we know not. No satisfactory record of this second voyage has been preserved. A letter from Pedro de Ayala, the Spanish Envoy then in England, and an entry in Stow's Chronicle make it certain that the expedition sailed early in the summer of 1498, and had not returned in the following September. In fact there is no authentic account of its return, but from the pages of Peter Martyr, Ramuseo, Gomara, and Galvano we learn that on this voyage Cabot sailed far along the Labrador coast till stopped by masses of ice, that he then turned south and followed the coast to 38° N., thus discovering from 1,200 to 1,800 miles of the coast of North America, in virtue of which England in due time claimed sovereignty over these northern lands by right of a first discovery.

It is curious to note how historians have dealt with the memory of the elder and younger Cabot. For a long period the father's name was ignored and almost effaced in connection with the great discovery, while the son's name was unduly and unjustly exalted, as though he had been the prime mover and the ruling spirit in carrying through the great enterprise. It was even declared to be doubtful whether John Cabot had sailed on the first voyage at all, or that he took any part in the second, so that the whole glory belonged of right to Sebastian. Indiscriminating praise was lavished on the latter, while the name of the elder was suppressed. In more recent times fresh documents have been brought to light, chiefly from Spanish archives, which have completely turned the scale, and re-established the reputation of John Cabot on a solid foundation—proving him to have been the real discoverer and the moving spirit in the whole enterprise; a man, too, of a noble spirit and courageous heart.

Now, the rebound seems to have gone too far, and some are disposed to deny all merit to the son, and even refuse to believe that he had any part in the discovery. His character has been assailed and he has been painted as an unmiti-

gated liar, an impostor, and one who endeavoured to deprive his father of his well-merited fame. Even nautical skill has been denied him. The eminent historian and antiquarian, HARRISSE, has gone to great and unwarrantable extremes in his violent onslaught on the memory of Sebastian Cabot. As usual, the truth lies between the two extremes. The reputation of Sebastian Cabot has suffered not only from eulogiums of over zealous friends, but also from the fact that no record from his own hand has escaped the gnawing tooth of time. We are dependent for information regarding the second voyage and the utterances and after career of Sebastian, on the works of men who wrote long afterwards, and who wrote from memory—such as Ramuseo and Gomara—and whose recollections may have been, in many cases, dim and incorrect. Memory, in such cases, is apt to prove treacherous after a lapse of years; or the writers may have partially misunderstood the voyageur, and unintentionally misrepresented his statements. They did not know the whole case. Some of them knew only about the voyage of 1498, nothing of the earlier one. Others confounded the two voyages. It is unfair to condemn Sebastian Cabot and to brand him as an unscrupulous falsifier, on certain conversations which these writers say they held with him. We have not the whole case before us; and many of his reported statements may have admitted of explanations, had we the means of sifting them. If we merely pick out flaws, imperfections, and failings in a man's character, we shall form a very false estimate of the man: for the best of men have plenty of weaknesses and imperfections, and often yield to selfish considerations or gusts of passion. The heroic Columbus was far enough from perfection; and as some ungracious writers have tried to prove, was guilty of some very questionable deeds. But allowance is made for the influence of his age and training, and notwithstanding these, we admire and reverence the hero for his solid worth, true nobility of soul, and his great work.

Thus, let us deal with Sebastian Cabot. He lived at the close of the fifteenth and beginning of the sixteenth century—an age when scheming and intriguing, and even lying and deception were prevalent among the educated classes, and did

not meet with the condemnation they deserved. Cabot could hardly escape being tainted with the vices of his age. To seize on some apparent or real transgression of the laws of veracity and hunt him down and condemn him for these, is to misjudge and deal unfairly with the man. He had his failings, no doubt, but that he was the pertinacious liar and incompetent pretender that HARRISSE has tried to paint him is entirely incredible. He may have been guilty of want of candour and concealment of facts, we admit; but it must be remembered, we have no opportunity of cross-examining the witnesses against him. He was still a brave and able man, who did a great work for the world, and on the whole, in a noble spirit. If we withhold our respects from him and condemn him for certain flaws of character, what great man can we reverence?

For, consider the broad facts of the case. His name was associated with that of his father in Henry's first patent. That he accompanied his father on his first voyage is in the highest degree probable, though the few meagre records do not expressly say so. From the fact that his father's name totally disappears from contemporary records, and that he is not mentioned as ever returning from the second voyage, we may fairly infer that his death took place at that time, and that Sebastian commanded the second expedition. It is well known that Sebastian's ruling passion was to find a passage to Cathay by the northwest. Hence his father's original programme was altered, and in his second voyage he boldly steered to the northwest, and fought the ice-floes and icebergs along the rugged coast of Labrador as far north as Hudson's Strait. Therefore, to Sebastian Cabot must be accorded the honour of pioneering the way in Arctic exploration, and of kindling in the bosoms of Englishmen that passion for Arctic discovery in which they have surpassed all others and put on record deeds of heroic bravery which have won imperishable renown. Sebastian Cabot led the way, and a long line of Arctic heroes followed, the latest being the gallant Nansen. When compelled to turn back by the ice and intense cold, he sailed south as far as 38° N., thus discovering the whole coast of North America, from Hudson's Strait to Florida—an event of the first magnitude in connection with the settlement of the continent.

Some time after his return to England he was invited by Ferdinand of Spain to enter his service. He had no reason to consider himself under any obligations to England. His discoveries had not yet been understood or appreciated by the English, and no objections were raised to this transference of his services, in 1512, to Spain. Ferdinand gave him an honourable position and a salary of 50,000 maravedis per annum. He wanted to turn to account Sebastian's knowledge of the Baccalaos or New Fish-Lands which were considered of no value in England. Who could blame him, under such circumstances, for removing to Spain, and accepting an office of honour and emolument—that of Grand Pilot of Spain and head of the Department of Cartography at Seville? This office he held with credit to himself till 1546, both under Ferdinand and Charles—two of the ablest monarchs of those days, and excellent judges of character. Had Sebastian been the incompetent sham represented by Harrisse, would such shrewd judges of men and affairs not have speedily seen through him and given him his dismissal, instead of honouring him as they did for thirty-four years?

During those years Sebastian Cabot made several more voyages of discovery, actively promoting maritime enterprises and trading adventures; and by invitation, took part in the famous conference at Badajoz. In his old age he returned to England, and Edward VI. bestowed on him a pension of £166 as a mark of respect. His mental activity and interest in maritime affairs continued to the last, and he died in London, probably about 1557, when close on eighty years of age.

In view of all these facts there seems to be no reason why the name of Sebastian Cabot should not be joined with that of his illustrious father, though of the two we may be found to accord the higher honour to the memory of John Cabot who was undoubtedly the originator and leader in the first voyage. His son, however, is entitled to high praise for brave and daring deeds, and to an honoured place in the roll of England's illustrious sailors. After the lapse of four hundred years it seems unjust and ungracious "to draw his frailties from their dread abode," and ignore his vast services to the English race, and overlook the part he took in the expansion of England.

Although the theory that Newfoundland was Cabot's landfall must be abandoned as untenable, yet no one has ever doubted or denied that he discovered the island on his first voyage, and was the first to report the immense fish wealth of its surrounding seas. How much of the island he saw cannot be determined; but the fact of discovery is indisputable; and the name "Newfound-land," which included at first the adjacent coasts and islands, was finally appropriated to the island which still bears the name.

Still, it must be admitted that no critical authority of eminence can be cited in support of the theory that Newfoundland was Cabot's landfall. Harrisse, who has made a most extensive and minute examination of the old documents, connected with the Cabots and the discovery of America, does not even mention or discuss it. In his earlier works he held that the landfall was on the eastern coast of Cape Breton; but in his latest he fixes on Cape Chidley, the most northern point of Labrador—an impossible landfall, as we have seen, on the 24th of June. For Newfoundland, however, Harrisse does not seem to consider there was any evidence whatever. On the other hand, many of the most eminent geographers and historians may be quoted in support of the Cape Breton view. Dr. Bourinot, Dr. Charles Deane, the Abbe J. D. Beaudoin, Francisco Tarducci, an eminent Italian historian, Breevoort, an American author, and Dr. S. E. Dawson, and many others, support the Cape Breton landfall.

Except as a matter of historical and antiquarian interest the mere spot where the Cabots first saw land is not of any great importance. The map of La Cosa shows that on his return voyage Cabot coasted along the southern shore of Newfoundland for 300 miles, and named many places, thus closely identifying himself and his famous voyage with the island. The landfall, about which there will be perhaps always a difference of opinion, is comparatively a minor point.

Without laying myself open to the charge of egotism I may perhaps be permitted to state that as far as I am aware I was the first to call public attention to the claims of the Cabots to a centenary celebration. In a paper read before the Historical Society of Nova Scotia, in 1893, I put forward the claims referred to, and urged the

greatness of Cabot's work as a reason for a commemoration. Afterwards, in a communication to the Royal Society of Upper Canada, I called attention to the matter. The Society then appointed a committee to report on the proposal. Their report was favourable, and suitable arrangements were made by the Society for the celebration. The proposal was favourably received

throughout Canada as well as in England. At a much earlier date, in a paper published in *The Maritime Monthly Magazine* for October, 1874, I brought forward the same proposal in regard to "the discoverer of North America." No doubt the same idea occurred to other minds. To myself, however, it is a matter of much satisfaction that the idea has been translated into action.

**The claim of Newfoundland** has for its strongest adherent Judge Prouse, of that island. His views are substantially summed up in the following paragraphs:

If Cabot, as the Italians say, had gone north from Ireland and then sailed west, he would undoubtedly in a direct course have made the land of Northern Labrador; but he did not go on a straight course, he was driven up and down by light east and north-east winds early in May, and when approaching the land, if the nights were dark and foggy, he would lay-to, and, probably during three days passing across the Labrador current, which extends in June from 250 to 300 miles from Newfoundland, his vessel would be drifting south. Cartier, on the same course, made Cape Bonavista, and John Cabot might make the land anywhere from Belle Isle to Cape Race, though it is probable he would, like Cartier, come up with the great auks off the Funk Islands, and knowing from the appearance of these birds, which had very short wings and could not fly, that he was near the land, he would boldly strike in and make a landfall, as Cartier did, at Bonavista.

It is quite clear that on this westerly course he must have made land somewhere on the Labrador coast or on the east coast of Newfoundland; to pass all this long line of coast extending north and south 1,200 miles and then to make Cape Breton, is wildly improbable, if not impossible. There are two other very strong points against the Cape Breton theory; one is the name Cape Breton, which appears in the very earliest maps; no one can doubt that this designation was given by French fishermen, who were amongst the very first to visit North America; there is no trace of

Cabot and his discovery in this name. The other is the undoubted fact that Cape Breton was not known to be an island, and its insular character is not shown in any map for forty years after Cabot's landfall. It was not frequented by European fishermen until long after Cabot's voyage, and there are no names on its coast beyond Cape Breton, marked on any map prior to 1540.

The claims of Labrador may be summarily disposed of. All the references in the earliest accounts of the voyage are to an island or islands. Moreover, Soncino, writing to the Duke of Milan Dec. 18th, 1497, says; "The land is excellent and the climate temperate." Reference is also made to trees on the coast and to the abundance of fish. No discoverer would refer to a great peninsula like Labrador as an island. The great codfishery does not begin until July, and its bleak and rugged shores could never be described as wooded or beautiful and pleasant.

**Cape Breton as the land-fall** has, however, the bulk of authoritative opinion. Dr. Charles Deane, of the Massachusetts Historical Society; Sir Clements Markham, President of the Royal Geographical Society of England; Signor Tarducci, a recent biographer of the Cabots; Mr. R. G. Thwaites, Secretary of the Wisconsin Historical Society; Dr. S. E. Dawson, of Ottawa; and Dr. J. G. Bourinot, of Ottawa; all favour the Cape Breton theory, while Dr. Justin Winsor is doubtful, and H. Harris, in his work upon the Cabots, inclines to Labrador. The latter location was favoured by both Humboldt and Biddle who wrote, however, before the discovery of the Cabot map of 1544 and other documents.

On the 24th of June, 1897, His Excellency, the Earl of Aberdeen, Governor-General of Canada, in the presence of many representative men, unveiled a tablet erected in the Provincial Building, Halifax, Nova Scotia, in commemoration of Cabot's discovery. It bears the following inscription:

"This Tablet is in honour of the famous navigator John Cabot, who, under authority of letters patent of Henry VII., directing him 'to conquer occupy, and possess for England all lands he might find in whatever part of the world they be,' sailed in a British ship, *The Matthew*, and first planted the flags of England and Venice, on the 26th of June, 1497, on the north-eastern seaboard of North America, and by his discoveries in this and the following year, gave to England a claim upon the continent, which the colonizing spirit of her sons made good in later times.

This Tablet was placed in this hall by the Royal Society of Canada in June, 1897, when the British Empire was celebrating the sixtieth anniversary of the accession of Her Majesty Queen Victoria, during whose beneficent reign the Dominion of Canada has extended from the shores first seen by Cabot, an English sailor four hundred years before, to the far Pacific coast.

His Excellency the Earl of Aberdeen, Governor-General of Canada. His Honour M. B. Daly, Lieutenant-Governor of Nova Scotia. C. O'Brien, D.D., President of the Royal Society of Canada, Archbishop of Halifax. J. G. Bourinot, C.M.G., Honorary Secretary of the Royal Society of Canada. City of Bristol delegates, William Robert Barker, J.P., and William Howell Davies."

The following table of discoveries and discoverers connected with Canada, and the continent as a whole, is necessary to a complete comprehension of its earlier history:

- 1492 San Salvador Island discovered by Columbus.
- 1495 Jamaica discovered by Columbus.
- 1497 John Cabot discovers Newfoundland and the shores of Nova Scotia.
- 1498 Sebastian Cabot explores the American coast from Nova Scotia to Hudson's Straits.
- 1498 Eastern coast explored by Americus Vesputius, after whom America is named.
- 1502 Columbus lands on the American Continent.

- 1502 Cortereal, a Portuguese, explores the Atlantic coast of North America.
- 1512 Florida discovered by Ponce de Leon.
- 1513 Balboa discovers the Pacific Ocean.
- 1517 Mexico discovered by Francisco Fernandez.
- 1524 Verrazano of Florence, sent out by the French King, and explores the coast from the Carolinas to Newfoundland.
- 1527 The Bermudas discovered by a Spaniard of that name.
- 1534 Jacques Cartier discovers the St. Lawrence River.
- 1536 California discovered by Cortez.
- 1541 The Mississippi River discovered by Ferdinand de Soto.
- 1553 New Mexico discovered by the Spaniards.
- 1576 Greenland discovered by Sir Martin Frobisher.
- 1584 Virginia first visited by Sir Walter Raleigh.
- 1592 Straits of Juan de Fuca discovered.
- 1609 Hudson's Bay discovered.
- 1613 Champlain explores the interior of Canada, and discovers Lakes Huron, Ontario and Nipissing.
- 1682 Cavelier de La Salle explores the Mississippi and the "great west" of the continent.
- 1778 British Columbia coast explored by Captain Cook.

The original and first discovery of North America really lies at the credit of neither Cabot nor Columbus. There is now little reason to doubt that the restless Vikings of the Tenth century found sailing over the known seas of the world too tame a pastime for their Norwegian energies and wild natures, and that they more than once sighted and visited the shores of this continent. Iceland and the Faroe Islands were settled by them in the Ninth century. Eric the Red occupied the Greenland coast in A.D. 986. Beorn, one of his colonists, was, not long afterwards, swept by stormy seas to the west and south, where he sighted hitherto unknown shores. Leif Ericson in A.D. 1000, fired by stories of what his comrade had seen, started out to explore the new lands on his own account and probably touched the continent where Labrador is now located. This desolate region he called Stone-land. Further south, perhaps the coast of New-

foundland, he called Bushland. Still further he sailed and reached a pleasant country—probably Nova Scotia—which he named Vineland. Here he established a village, and here others came until many ships and large cargoes and a flourishing colony were the result.

But the Indians seem to have been too much for the settlers and to have ultimately overpowered and driven them away. Nothing at any rate now remains but eloquent memories embalmed in two Icelandic sagas. Europe was too busy with its internal questions and wars to think or even hear of such matters, and presently these earlier navigators and settlers were shrouded in a veil of oblivion which deepened as the centuries rolled on.

**Jacques Cartier was the discoverer** of the St. Lawrence, at once the entrance to Canada and the ocean gateway of its vast fresh water lakes. A sturdy, courageous, keen, and enterprising navigator, he was born in 1494, at the ancient seaport of St. Malo, in Brittany, and during the earlier years of his manhood pursued the calling of the sea with a success which can best be judged by the fact that in 1534, he was selected by Philippe de Brion-Chabot, Admiral of France, and acting for King Francis I, to lead an exploring expedition to the New World. Ten years before this date, Verrazano had been also sent by the French King with very fair results in the way of coasting discovery.

Cartier, however, seems to have made up his mind to do more than that, and to have determined either to find his way into the interior of the country, or, as he hoped, into a new ocean and pathway to the East. During his first voyage he advanced up the St. Lawrence to Anticosti Island. Upon his second he started in 1535 with a little fleet of three vessels—the largest being only 120 tons burden. This time he sailed up the great Canadian river, and past the grim and frowning entrance to the Saguenay, until he reached the Isle D'Orleans—which he called Bacchus, on account of the grapes found by his delighted crew. The Indians received him with every mark of honour and courtesy, and helped him in his further explorations up to where Montreal now stands. This kindness was treacherously repaid by his seizure of the Indian Chief and his transportation

to France where he died a year or so afterwards. During his third visit, in 1541, Cartier was able to do little owing to the very natural hostility and suspicion of the Indians, and Canadian exploration, with the exception of some efforts made by De Roberval, languished until revived by the spirit and energy of Champlain. Jacques Cartier, the humble sailor, returned to France where he became a nobleman under the title of Seigneur of Limolou. He died in comparative retirement at St. Malo, in the year 1554. Meanwhile Jean Francois de



Jacques Cartier.

La Roque, Sieur de Roberval, who had been appointed Governor-General of New France during Cartier's last voyage and who arrived with his fleet a year too late to do the former any service, had made a determined effort to carry on the work of colonization. He rebuilt Cartier's abandoned village and embryo fort where Quebec now stands, and cleared the fields, sowed crops, and made other preparations for a permanent settlement. But the coming of winter, the scarcity of food, and the prevalence of scurvy amongst his



men compelled him eventually to return home with a mere remnant of his expedition. In 1549, he and his brother, with a large number of emigrants, many ships, and plentiful supplies, sailed for the St. Lawrence to try once more the foundation of a new State in the New World. But the unfortunate expedition was never definitely heard of again and its fate remains one of the secret shadows upon the dial of history.

**Samuel de Champlain** was the central figure of Canadian internal exploration and pioneer colonization. While Cabot first touched the Canadian half of the continent, and Cartier led the way up the St. Lawrence to vast unknown fields of discovery and exploration, Champlain was the pioneer in practical work and in the systematic examination of the vast interior. Born in 1567 of a noble family, at Brouage, on the west coast of France, he had seen considerable military, naval, and engineering service before, in 1603, accepting association with Pontgravé, an adventurous merchant sailor of St. Malo, and Pierre du Guast, Sieur de Monts, a chivalrous noble of Henry the Fourth's Court, in an expedition to investigate the deserted regions of New France and establish a connection which might increase French power while also preparing the way for a prosperous personal business in furs.

The expenses of the undertaking were assumed by M. de Chastes, Governor of Dieppe, who was anxious to see France in the forefront of American settlement, and was not dismayed by the disappearance of de Roberval and the disastrous results of an attempt in 1598 by the Marquess de la Roche to found a settlement of convicts on the bleak and barren shores of Sable Island. Pontgravé, who had shared in the latter enterprise, had, however, succeeded in establishing a small trading post at Tadousac, at the mouth of the Saguenay, and this point de Champlain and his associates reached during the month of May. The former, with a small party, then sailed up the river in *batteaux* as far as the rapids of St. Louis, which checked his further progress as had previously been the case with Cartier. After some minor explorations along the shores of the river he returned to the ships and the whole party sailed for France.

De Chastes, having meanwhile died, and de Monts, feeling full of the fire and fever of exploration, the latter fitted out a second and larger expedition in 1604, and with de Champlain, the Baron de Poutrincourt, and a very mixed crew, prepared to take possession of Acadia for the French King—a vague name or phrase which in his charter or patent might have included all the territory from Pennsylvania to the banks of the upper St. Lawrence. The coasts were pretty thoroughly explored and names given to many bays and headlands. Poutrincourt, and indeed



Samuel de Champlain.

all the party, were greatly delighted with the natural beauty of Annapolis Basin, and the former obtained a grant of the region immediately surrounding what he called by the afterwards historic name of Port Royal. The beautiful Passamaquoddy Bay was next reached, and here, on St. Croix Island, a settlement was effected. The winter which succeeded, however, was one long misery, and the colonists had eventually to abandon the place and be transferred to Port Royal.

Meanwhile, Champlain and de Monts had ex-

plored the coast as far south as Cape Cod. During the next few years questions of colonization, supplies, and home interests divided the attention of the pioneer leaders. De Monts bound up his fortunes with those of Acadia. A settlement was made on the shores of the St. Lawrence in 1608, by de Champlain, who, accompanied by Pontgravé, laid the foundations of Quebec in the shadow of the towering rock which has frowned upon such varied scenes of historic struggle and individual suffering. Many explorations into the far interior followed, together with constant struggles with the Iroquois, and intense, determined efforts by Champlain to establish the New France which he loved, and to which he later on brought his family, and practically consecrated his career. The difficulties of local settlement, the abuses of the fur trade, the indifference or hostility of the home authorities, the blood-darkened shadow of savage life, all hampered his successful action. But still he struggled on, and after the three years' temporary occupation of Quebec by the English seemed in 1633 to be entering, with his colony, upon a period of rest and prosperity. The hand of death, however, intervened, and within two years of that time the great Governor of New France—the Father of French Canada passed away to his reward.

**During the period of discovery and restless maritime action which lay between the expeditions of Columbus and Cabot, and the explorations of Champlain and de Monts, much depended upon the reigning Sovereigns of France**

and England. Unfortunately, out of the following list, there are but few who made really good use of the vast openings for future power and increased territory which were afforded them by the adventurous spirits of their day. But the names are historically important to the continent whose earlier as well as later annals were more or less affected by the history of the two rival European kingdoms.

Accession.	France.	Accession.	England.
1483	Charles VIII.	1485	Henry VII.
1498	Louis XII.	1509	Henry VIII.
1515	Francis I.	1547	Edward VI.
1547	Henri II.	1553	Mary I.
1559	Francis II.	1558	Elizabeth.
1560	Charles IX.	1693	James I.
1574	Henri III.	1625	Charles I.
1589	Henri IV.	1640-58	Cromwell.
1610-43	Louis XIII.		

Of the French Kings, Francis the First, a gallant, showy, and ambitious monarch, and Henry the Fourth, who in every branch of national government and national expansion proved to be a great sovereign, showed themselves strong patrons of exploration and colonization. So far as Canada is concerned Henry VII. in his encouragement of the Cabots, and James I. in his patronage of Lord Selkirk, are the most important of the English rulers. Of course, Henry VIII. and Elizabeth in their general promotion of maritime discovery through the active medium of men like Drake, and Frobisher, and Raleigh did much to stir up the popular spirit of enquiry concerning the American continent, but Canada shared only indirectly in the result.



## EARLY EXPLORATIONS AND DISCOVERIES

BY

SIR SANDFORD FLEMING, K.C.M.G., LL.D., F.R.S.C.

WHEN the continent of America was first discovered the dimensions of the globe were but imperfectly understood. Its circumference was thought to be much less than it has since been found to be, and the land discovered by Columbus and Cabot was supposed to be the eastern shore of Asia. Spain and Portugal, then the great maritime powers of the world, agreed under a Treaty of Partition, founded on a bull issued by Pope Alexander VI. in the year 1492, that the Spaniards should possess exclusive control over the western route to Asia, while the Portuguese should communicate through eastern channels. This question of jurisdiction having been settled and affirmed under the authority of the highest powers the Portuguese pursued their discoveries to the east by way of the Cape of Good Hope, while the Spaniards endeavoured to find their way in a westerly direction, through new seas and unknown lands, to India. The Spanish ships cruised along the Atlantic coast of America in the hope of finding a way to the south of Asia. In 1513 the Isthmus of Darien was crossed, and three years afterwards Spanish navigators passed through the Straits of Magellan. Thus the Pacific Ocean was discovered at two widely separated points.

In 1592, Juan de Fuca is reported to have followed the Mexican and Californian coasts until he reached the broad inlet of the sea which to-day bears his name, and forms the southern limit of Canada on the western ocean. Eight years after the alleged discovery by Juan de Fuca, Henry Hudson ascertained the existence of a great inland sea accessible from the Atlantic side of the new continent. From Hudson's Bay it was confidently expected that some passage would speedily be found which would enable

ships to traverse from the Atlantic to the Pacific and shorten the voyage from Europe to Asia. In 1670, the whole region surrounding Hudson's Bay was granted by the British Crown to the society of merchants ever since known as the Hudson's Bay Company, who, after thoroughly exploring its shores, failed in discovering an outlet to the west. With the view of reaching Asia by a northwest passage efforts at discovery were persistently extended until the middle of the nineteenth century, but they proved completely barren of useful results. The explorations by land must be regarded in a different light.

The first civilized men who pierced the interior were French adventurers, missionaries, and traders from old Canada, while the country was in the possession of France. The exploits of these men, who, without the slightest previous knowledge of the territory, penetrated amongst numerous savage tribes, remains of thrilling interest. Finally they passed from the St. Lawrence through the great lakes of Huron and Superior, and by the innumerable intricacies of streams, lakes, and *portages* to Lake Winnipeg. Thence they ascended the River Saskatchewan to about the 103° meridian, where they planted their most distant trading post, some 2,000 miles from the then colonized parts of Canada.

In 1679 Robert Cavalier de la Salle, entertained the idea of finding a way to China through the lakes and rivers of Canada. His expedition set out in the frail canoes of the natives, and his point of departure above the rapids on the St. Lawrence, near Montreal, was named, and is still named, LaChine—in consequence of the daring project to reach from that point the land of the Chinaman. Half a century later the attempt was renewed. In 1731, Pierre Gauthier de la Verendrye, under the auspices of Charles, Marquess de

Beauharnois, Governor of New France, commanded the expedition, and although he failed to reach the Pacific Ocean he advanced farther on the western prairies than any of his predecessors. In 1762 Fort La Rouge, close to the site of the future Fort Garry and Winnipeg, was an established trading post. Soon after this the conquest of Canada extinguished French possession and terminated French exploration in the western wilderness. Even the French missionaries, who were the first to preach the Gospel to the aborigines, abandoned the country, and did not resume the work for nearly sixty years. A hundred years after the grant to the Hudson's Bay Company one of their agents, Mr. Samuel Hearne, was commissioned to examine the interior. Between 1769 and 1772 that explorer made journeys, on foot and in canoes, 1,000 miles westerly from the place of his departure on Hudson's Bay.

He discovered Great Slave Lake and other large lakes, and traced the Coppermine River to its mouth in the Arctic Ocean. A hundred and twenty years ago, and in the year before the sad death of that most distinguished navigator and discoverer, Captain Cook touched at Nootka Sound, on the Western coast of Vancouver's Island, claimed its discovery, and remaining there a few weeks, sailed along the coast to Behring Straits.

After an intermission of eleven years, Alexander Mackenzie, in the service of the North West Fur Trading Company, set out on an important exploration of the interior. Between 1789 and 1793, that intrepid traveller discovered the great river which justly bears his name, and followed it to the Arctic Ocean. He ascended the Peace River to its source, and was the first civilized man to penetrate the Rocky Mountains, and pass through to the Pacific Coast. This traveller inscribed in large characters on a rock by the side of Dean Inlet, "Alexander Mackenzie, from Canada, by land, 22nd July, 1793." On the same day that Mackenzie placed that memorable inscription by the side of the Pacific, Captain Vancouver was pursuing his examination of the coast about two degrees further north. A short time before Mackenzie emerged from the interior, Vancouver had visited the spot where Mackenzie slept for one

night within the sound of the sea. Thus these two distinguished travellers, from opposite directions and engaged in totally different pursuits, discovered precisely the same place, and by a remarkable coincidence, all but met each other.

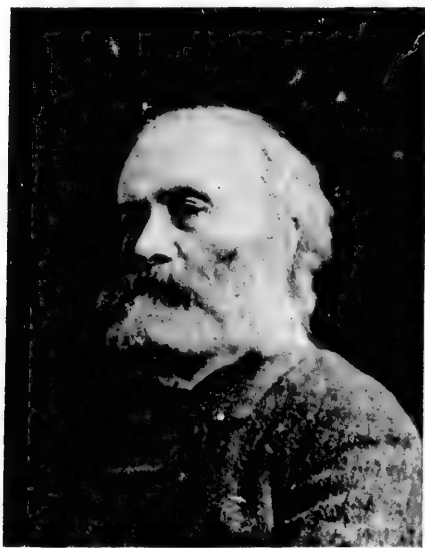
In 1806, Simon Fraser crossed the Rocky Mountains from Canada, and descended the great river of British Columbia, which in his honour was named after him. It was my good fortune many years ago to read Fraser's original manuscript journal, then in the hands of his son. I have since witnessed the foaming rapids and boiling whirlpools of that wildest of all large rivers, and I cannot be surprised that not many have attempted, and still fewer have succeeded, in following in the wake of Simon Fraser from its source to its mouth. Twenty-two years afterwards, however, Governor Sir George Simpson made the daring attempt. In 1828, he stepped into a canoe at York Factory on Hudson's Bay, and stepped out of the frail craft some time afterwards at the mouth of the River Fraser, having in the interim traversed the interior, and carried the canoe as Mackenzie did before him, from the source of Peace River to the great northern bend of the Fraser.

This celebrated traveller, in his journey round the world in 1841, again crossed the northern, or Canadian, half of America. His course was by the St. Lawrence, the Ottawa, Lakes Nipissing, Huron, Superior, and by the canoe route to Lake Winnipeg; then across the prairie via the Saskatchewan to the Rocky Mountains, and by Kootenay to the Columbia River.

Among the officers and others connected with the great fur trading companies who have left a record of their travels, the following are the most noteworthy. David Thompson made extensive surveys between 1794 and 1811, embracing the rivers Nelson, Churchill, Saskatchewan, and their tributaries, the country of the Mandan Indians, Lac la Biche, and Athabasca. He crossed the Rocky Mountains in 1807 by the Horner Pass, and in 1810 by the Athabasca Pass. In 1811, he followed the Columbia to the Pacific Coast on the occasion of Fort Astoria being established, and was the first civilized man to traverse the river Columbia from its source. In 1799, Alexander Henry left Montreal for the interior, crossed

the Rocky Mountains in 1811, again in 1813, and followed the Columbia to its mouth. In 1814, Gabriel Fanchon having passed round Cape Horn to the Pacific Coast, ascended the Columbia, crossed the mountains to Little Slave Lake, and then found his way easterly by Fort Cumberland and Lake Winnipeg. Some years later Ross Cox, after serving the fur company to which he was attached at various points in what is now known as the State of Washington, and in British Columbia, returned overland to Montreal.

Between 1800 and 1819, D. W. Harman trav-



Sir Sandford Fleming.

elled over a great extent of the interior, and spent ten years in the Peace River region, and in New Caledonia, now the northern part of British Columbia. Harman's journal, published in 1820, furnishes an interesting narrative of his travels. Another traveller, Alexander Ross, was connected with the first establishment of Astoria, and stayed from 1811 to 1825 among the Indian tribes. He returned in company with Sir George Simpson across the Rocky Mountains to Edmonton. In a volume published in 1849, he describes the career

of the Pacific Fur Company, its operations, reverses, and final discomfiture. His adventures among the Indian tribes west of the Rocky Mountains are given in a second narrative published in 1855. John McLeod, in the service of the Hudson's Bay Company, crossed the mountains from the east in 1822 with his wife and two young children, and descended the River Fraser to the Strait of Georgia. In 1826 he left Fort Vancouver to proceed eastward in the company of Edward Ermatinger, and the distinguished botanist, Douglas, reaching York Factory after following the chain of waters to Hudson's Bay. At York Factory the party met Sir John Franklin on his arrival there.

Robert Campbell takes a prominent place among the adventurous explorers of the Hudson's Bay Company. He travelled from York Factory to the Stickeen River, discovered Pelly River, which proved identical with the Yukon, crossed the height of land to Peel River, and ascended the Mackenzie. In 1852-53, this traveller made a remarkable journey from the Yukon territory to England. He left the Alaska boundary, ascended the Pelly and crossed the mountains to the Liard. Winter having set in he walked on snow shoes to Crow Wing on the Messenger, extending over sixteen degrees of latitude and twenty-seven degrees of longitude. He had with him three men and a train of dogs to Crow Wing, where he obtained horses for the journey to Chicago, and eventually reached London. From his starting point this traveller had made a continuous journey of 9,700 miles, nearly half of which was through an uninhabited wilderness, and of this distance 3,000 miles were passed over in the dead of winter, and much of it walked on snow shoes. In June, 1843, Captain (afterwards General Sir Henry) Lefroy arrived at Red River, passed through to Lake Athabasca, and then remained from the middle of October to the end of February following, engaged in meteorological and magnetical observations. In March, 1844, he started for Fort Simpson, on Mackenzie River, where for several months his time was occupied in similar pursuits.

The North-West Passage, a problem which has baffled the energy and skill of navigators, remained unsolved at the beginning of the pres-

ent century, and a series of attempts were made to throw light on the gloom that surrounded it. Some of these efforts assumed the form of expeditions by land, traversing the region which now constitutes part of central Canada, and therefore call for notice. The reference to them must be brief, but the indomitable perseverance and heroic endurance which they developed and displayed demands a passing tribute to names which will ever be familiar in Canadian and Arctic story. In 1819, an Arctic land expedition was organized under the command of Captain Franklin. That officer travelled *via* Red River to Cumberland House on the Saskatchewan, and thence by Fort Chipewyan, Fort Enterprise, and the Coppermine River to the Arctic coast. This expedition was marked by frightful suffering and loss of life.

In 1825, Franklin started on a second expedition. Having reached Lake Ontario, he passed, via Lakes Huron and Superior, to Red River, and thence traversed the country to Great Bear Lake, where he wintered. The following year he pursued his journey to the Arctic Coast, via Mackenzie River. In 1833, Captain Back, on an expedition in search of Sir John Ross, passed from Montreal to Lake Winnipeg and thence to Fort Reliance, where he wintered; after which he followed the Great Fish River to the Arctic Coast. In 1836, Messrs. P. W. Dease and Thomas Simpson, at the instance of the Hudson's Bay Company, started overland from Red River on a joint expedition. They spent the years 1837, 1838, and 1839 in explorations on the northern coast. They joined the surveys of Franklin and Beechey at Point Barrow in Behring Strait, and those of Franklin and Back between the Coppermine and Great Fish Rivers, making the longest boat voyage in the Arctic seas on record.

Dr. Rae in 1845 took his departure from Lake Superior on the breaking up of the winter, passed by the common route to Red River, by Lake Winnipeg to Norway House, and thence to York Factory, where he wintered. A year afterwards he wintered at Repulse Bay without fuel, and subsisted with his party for twelve months on food obtained with the gun and spear. He united the surveys of Ross and Parry, a distance of about 700 miles, and made the first long sledge journey

performed in that part of the world, the total distance being nearly 1,300 miles. In 1848, Sir John Richardson, who already had made two overland journeys with Sir John Franklin, made a third in search of that lamented traveller. On the last occasion he was accompanied by Dr. Rae. The two volumes published by Richardson on his return afford evidence of the minute scientific observations made in the part of Canada which was traversed by these two celebrated explorers, and afford ample proof of the value of their labours.

In 1849, Dr. Rae alone, passed down the Coppermine River, pursuing the object of discovering Franklin with unabated vigour. In the following year he renewed the search. He wintered at Fort Confidence, Great Bear Lake; descended the Coppermine River; travelled over ice nearly 1,100 miles at an average rate of from twenty-five to twenty-six miles a day; and made the fastest long Arctic journey which has ever been known. Subsequently, on the same expedition, he made a boat voyage almost rivalling that previously made by Dease and Simpson. In 1853 and 1854 this indefatigable and justly celebrated traveller was again in the field. We find him wintering at Repulse Bay, living nearly altogether on the produce of the gun, the hook, or the spear. He made another sledge journey of over a thousand miles, and joined the surveys of Dease and Simpson with those of Ross and Bothea. On this occasion Dr. Rae was so far successful as to set at rest all doubts as to the sad fate of the Franklin expedition. For this the promised reward, £10,000 sterling, was presented to him by the British Government.

With the exception of a final exploration made in 1855 by Messrs. Anderson and Stewart, who passed down the Great Fish River, Dr. Rae's record above referred to closes the narration of the overland Arctic expeditions. It cannot be denied that notwithstanding all the toils, perils, and privations inseparable from them, these expeditions have resulted in loss and disappointment in the main object for which they were undertaken, viz., a northwest passage for ships. They have incidentally, however, given valuable additions to our knowledge of the country and made important contributions to science.

These various overland Arctic expeditions, of which I have presented but an outline, extended over a period of thirty-six years. But for them the northern regions of Canada would not have been so thoroughly explored. We have now a fair knowledge of the northern coasts, with all their silent and peaceful grandeur, and distance from the feverish bustle of busy men. The more Arctic portions of the Dominion are probably destined to remain for ever undisturbed by the hum of industry, and to continue as Providence has hitherto kept them, with the characteristics of snow and solitude which mark the landscape in high latitudes.

While investigations were being proceeded with during a series of years in the northern parts of North America in connection with the futile attempts to find a practicable north-west passage between the Atlantic and Pacific oceans, it was not until a comparatively recent period that special attention was directed to the southern and far more valuable portions of the country. Between the years 1819 and 1855 the northern districts were traversed in many directions. It was only subsequent to the later date that regularly organized efforts were made to gain information respecting the country nearer home. In 1857, on the recommendation of the Royal Geographical Society, Her Majesty's Government sent out an expedition to explore the country between Lake Superior and the Rocky Mountains. It was placed under the command of Captain Palliser, who, with a staff of scientific men continued his investigations until 1859. Reports of the highest value were published on the return of the expedition.

The Government of the late Province of Canada likewise sent out an expedition in 1857. Its object was to survey the canoe route between Lake Superior and the Red River Settlement. Messrs. Dawson and Hind, who were in charge of distinct branches of this expedition, pursued their investigations during 1857 and 1858, extending them as far west as the south branch of the Saskatchewan. During the same years Captain Blakiston, at the instance of the Royal Society, was engaged in meteorological and other scientific observations. He began at York Factory on Hudson's Bay, passed inland to Lake Winnipeg, and thence by the Saskatchewan to the Rocky Mountains.

There were other travellers who were not directly commissioned by the Imperial or Colonial Governments, who passed through the country, and on their return added valuable contributions to the general stock of information. In 1846-48 Paul Kane, of Toronto, who had studied Art in Europe, determined to devote his time and talents to the completion of a series of paintings illustrative of Indian life and character. His journey to the Pacific Coast and his experience among the Indians is graphically given in a volume published in 1889, "*Wanderings of an Artist from Canada to Vancouver Island.*" In 1859 and 1860, the Earl of Southesk followed the Assiniboine and Saskatchewan valleys to the Rocky Mountains, and some years afterwards gave the public the benefit of his observations. In 1862 and 1863, Lord Milton and Dr. Cheadle crossed from the Atlantic to the Pacific by the Yellow Head Pass and Thompson River, performing a journey in which they were exposed to many perils, and narrowly escaped disaster. The volume, "*The North-West Passage by Land,*" published on their return to England, is one of the most charming of modern books of travel. In 1864, we again find Dr. Rae at work. On this occasion he had abandoned the Arctic region in favour of a more southern journey. He crossed, as Milton and Cheadle did in the preceding years, via the Saskatchewan to Tete Jaune Cache, but, unlike them, he turned at this point to follow the River Fraser in place of the River Thompson, finally reaching the Pacific Coast.

I ought not to omit to mention Messrs. Douglas and Drummond, both botanists, who spent some time in the country. To David Thompson, already mentioned, and after whom the Thompson River is named, we are indebted to no small extent for our geographical knowledge of much of the interior. It would be an injustice to the missionaries who have gone forth at different times to Christianize and civilize the native tribes, did I overlook the part they have also taken in throwing light on the physical features of the several regions they have visited.

Ministers of the Anglican, Wesleyan, Presbyterian, and Roman Catholic Churches have each and all done their part. To French priests of the last named Church, we are greatly indebted. Nearly a hundred and seventy years ago Père

Annaud on his first meeting with the Indians, fell a victim, together with Verendrye and their party, between Lake Superior and Red River. The French fathers indeed, furnish a long list of martyrs to the cause they embraced. Canada owes much also to the learned Archbishop Taché, whose travels during a sojourn of many years in north-western Canada have been extensive, and the results of whose observations in many parts of the far interior have been given to the world.

This is but a brief reference to some of the principal explorers. I cannot pretend in this paper to give even the names of all who participated up to the period when the whole territory formerly known as British North America came under the name and jurisdiction of Canada. The Imperial Act by which British Columbia and the Hudson's Bay territory entered the Dominion, came into force in July, 1871. On that day strong engineering parties were sent out by the Dominion to explore the whole region intervening between the seat of Government at Ottawa in the eastern provinces and the Pacific Coast at the west. The object was to obtain fuller information respecting the country than had previously been placed on record, with the view of establishing a line to be followed by a trans-continental railway. The engineering force engaged in this work reached nearly a thousand men of all grades. The survey was continued for a number of years. I have been intimately connected with it myself, and therefore it behoves me to refrain from saying much in respect to the manner in which the work has been done. I may, however, allude to the earnestness and determination of the Government and people of Canada with respect to the development of the magnificent country which then came under their control. An instance may be given in connection with the surveys. After three years had been spent by a large staff in exploring every part of a wild, uninhabited, and roadless country, extending a distance of about three thousand miles, a great amount of exact engineering information had been obtained at heavy cost, when a serious and discouraging disaster occurred. In 1874, in mid-winter, the building in which were deposited the field note-books, the unfinished plans, and nearly all the information accumulated, was destroyed

by fire, and nearly every scrap of paper consumed. Thus the labour of three years, the results which had been obtained at a cost of about £300,000 sterling, were lost. Nothing daunted, the order was given to commence the work of surveying afresh.

I shall not attempt to give even an outline of the details of a work which might fill volumes, and will simply allude to the general information which has been acquired, and to some of the more important results which have been obtained. It will, however, enable the reader to form some idea of the labour expended on this survey when I state that the total length of explorations made during the first seven years exceeded 47,000 miles, and that no less than 12,000 miles were labouriously measured by chain and spirit level, yard by yard, through mountain, prairie, and forest. To state that the Canadian Government, on this special examination alone, expended about £700,000 sterling, will not even convey a correct idea of the energy and determination displayed.

Besides extensive land surveys in Manitoba, the boundary line between Canada and the United States has had to be defined from end to end. The work was performed by a Joint Commission appointed by both countries. The British section of the Commission was in command of Major (now General) D. R. Cameron; the work occupied three years, and the reports furnished, including scientific papers by Captain Anderson Featherstonhaugh, and Mr. George M. Dawson, have largely extended our knowledge of that portion of the country adjoining the southern boundary line from the Lake of the Woods to the Rocky Mountains. A boundary survey west of the mountains had been previously completed.

The foregoing sketch of the early discoveries within the limits of that portion of North America, which together constitute the Dominion of Canada, and the reference to the various explorations and surveys which from time to time have been made in different directions, will enable the reader to judge of the value of the information, geographical and physical, which has been acquired respecting much of the country. The several Provinces on the Atlantic sea-board and the St. Lawrence, are well known. The southern margin of the country, extending from these

Provinces westerly to the mountains, has been examined with the greatest care by the Royal Commission appointed to define the boundary between Canada and the United States. The Canadian coast on the Pacific, with its many deep fiords, flanked in some instances by mountains reaching the limit of perpetual snow, has been the subject of repeated explorations. The northern side of the country, with its long summer day and its equally long winter night, has been visited in nearly every part by brave and indefatigable men, who, after perils and privations of no ordinary kind, have mapped it out,

and left it again to the silence and desolation which pervades the Arctic circle. The interior is so vast that it cannot be said yet to have been completely examined. There are still districts where the foot of civilized man has never stepped, but, as I have shown, explorers have laboured in many directions, and, with unflagging toil adventurous men have penetrated the gloomy recesses of the primeval forest, have peered into the rocky fastnesses of the mountains, and with unflinching endurance, have gained for us a general and reasonably correct knowledge of much of the vast country now known as the Dominion of Canada.

**The opening of the North-West** by the Sieur de la Verendrye was a remarkable episode in the history of Canadian exploration. In 1731 he started with his three sons and a small picked party from Michilimackinac in search of a great lake which the Indians called "Ouinipon" and which is now known as Lake Winnipeg. Through the wilderness to the north and west of Lake Superior the party journeyed until they reached a large body of fresh water which De la Verendrye called the Lake of the Woods, and on whose shores he established a Fort, after some preliminary skirmishes with the Sioux. From there they descended the turbulent Winnipeg river to the lake for which they were in search. Upon the other side of that stormy inland sea the party came to the Red River and ascended it to its junction with the Assiniboine where a fort was built on the site of the present Provincial capital. From these headquarters many exploring expeditions were sent out and trading posts established. Lakes Manitoba and Winnipegosis were discovered and the Sackatchewan River ascended for some distance. In 1742, one of the sons was the first European to see the mighty summits of the Rockies. Their exploration, however, was left to others at a later period.

**It must not be forgotten that the French were**

the pioneers in Continental as well as Canadian discovery. Champlain discovered Lake Champlain in 1609, the Ottawa river in 1613, Lake Ontario and Lake Nipissing in 1615, and Lake Huron in the same year. Lake Michigan was discovered by Jean Nicolet in 1634; Lake Erie, by Chaumonot and Brébeuf in 1640, and Lake Superior by some *coureurs-du-bois* in 1659. The upper waters of the Mississippi were first sighted by Father Marquette and a merchant adventurer named Joliette on June 17th, 1673, when they paddled down the great river past the mouths of the Illinois, the Missouri, and the Ohio. Many adventures and much danger from the Indians were encountered before they reached Quebec again in September, and Marquette himself died a couple of years later, worn out by the privations and perils of the wilderness. As a result of these discoveries and much other daring exploration by Nicholas Perrot—a famous *coureur-de-bois*—who was the first European to stand upon the site of Chicago, the whole great lake region was formally annexed to France by the Intendant Talon. So with Hudson's Bay territory. Father Alban, in 1671, was the first European to see from land the stormy and sombre waters in which Hudson had perished nearly a century before. The Niagara Falls were discovered by Father Hennepin, in 1678.



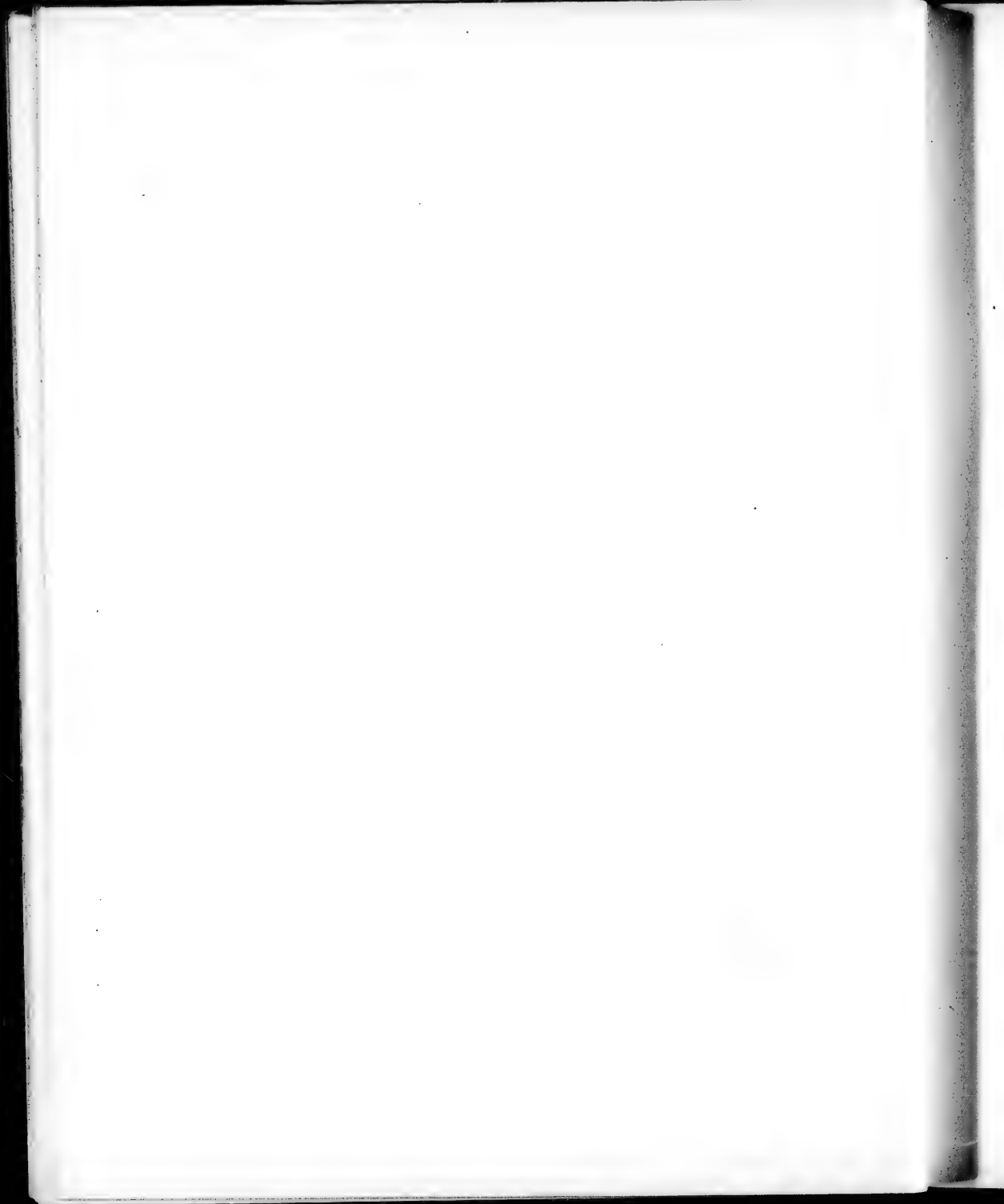
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VIEW OF NIAGARA FALLS FROM CANADIAN SIDE.





## PRINCIPAL EVENTS IN THE HISTORY OF CANADA

- 1497. June 24. Cabot discovered Canada.
- 1500. Gasper Cortereal entered the Gulf of St. Lawrence.
- 1517. Sebastian Cabot discovered Hudson's Bay.
- 1524. Verrazano explored the Atlantic coast of Nova Scotia.
- 1534. July 1st. Landing of Jacques Cartier at Esquimaux Bay. Discovery of the St. Lawrence.
- 1535. Second visit of Cartier.  
August 10th. Cartier anchored in a small bay at the mouth of the St. John River which, in honour of the day, he named after St. Lawrence. The name was afterwards extended to the gulf and river.
- 1540. Third visit of Cartier.
- 1542-43. The Sieur de Roberval and party wintered at Cap-Rouge, near where Quebec afterwards stood.
- 1603. First visit of Samuel de Champlain to Canada.
- 1605. Founding of Port Royal (Annapolis), Acadia (derived from an Indian word "Cadie" a place of abundance), by the Baron de Poutrincourt.
- 1608. Second visit of Champlain. Founding of Quebec, the first permanent settlement in Canada. Twenty-eight settlers wintered there, including Champlain.
- 1611. Establishment of a trading post at Hochelaga.
- 1613. St. John's, Newfoundland, founded.
- 1615. Lakes Huron, Ontario, and Nipissing discovered by Champlain. Champlain sailed up the Ottawa River, crossed Lake Nipissing, and descended French River into Georgian Bay and Lake Huron, returning by Lake Ontario.
- 1620. Population of Quebec, sixty persons.
- 1621. First mention of the name "Nova Scotia" in a grant of the Province to Sir W. Alexander by James I. First code of laws promulgated at Quebec.
- 1624. Nova Scotia first settled by the English.
- 1627. Canada granted to the Company of One Hundred Associates by the King of France.
- 1629. July. Capture of Quebec by the English under Sir David Kirke. 117 persons wintered there.
- 1632. Canada, Cape Breton, and Acadia restored to France by the Treaty of St. Germain-en-Laye. First school opened in Canada at Quebec.
- 1634. July 4th. The Town of Three Rivers founded. August 13th. Fort Richelieu (Sorel) founded.
- 1635. Sillery founded. Jesuits' college in Quebec. December 25th. Death of Champlain at Quebec. Lake Michigan discovered by Nicolet.
- 1639. Ursuline Convent founded at Quebec.
- 1642. May 18th. Ville Marie (Montreal) founded by Maisonneuve.
- 1642-1667. Frequent and serious wars between the French and the Iroquois Indians.
- 1654. Acadia taken by the English.
- 1659. M. de Laval, first Roman Catholic Bishop of Canada, arrived from France. Lake Superior discovered.
- 1663. Company of One Hundred Associates dissolved. Royal Government established. First Courts of Law.
- 1667. Acadia restored to France by Treaty of Breda. White population of New France, 3,918.
- 1670. May 13th (new style). Hudson's Bay Company founded.

1672. Count de Frontenac appointed Governor of New France. Population, 6,705.
1673. June 13th. Catarqui (Kingston) founded.
1674. Iroquois established at Caughnawaga.
1689. August 15th. Massacre at Lachine by Indians.
1690. Capture of Port Royal by Sir William Phipps, and unsuccessful attack upon Quebec.
1692. Population of New France, 12,431.
1697. Treaty of Ryswick and mutual restoration of places taken during the war.
1698. Death of Frontenac. Population, 13,355.
1701. August 4th. Ratification of a treaty of peace with the Iroquois at Montreal.
- 1709-10-11. Canada invaded by the English. Port Royal (Annapolis) taken by Nicholson (1710).
1713. Treaty of Utrecht, by which Hudson's Bay and adjacent territory, Nova Scotia (Acadia), and Newfoundland were ceded to the English.
1715. First ships built at Quebec.
1720. Population of New France, 24,434, and of St. John's Island (Prince Edward Island), about 100.
1721. January 27th. Mail stages established between Quebec and Montreal.
1722. Division of settled country in Canada into parishes.
1739. Population of New France, 42,701. First forge erected in Canada, at St. Maurice.
1745. Louisbourg, Cape Breton, taken by the English.
1747. Militia rolls drawn up for Canada. Courts of Justice constituted in Nova Scotia.
1748. Restoration of Louisbourg to the French in exchange for Madras, by the peace of Aix-la-Chapelle.
1749. June 21st. The City of Halifax founded by Lord Halifax; 2,544 British emigrants brought out by the Hon. Edward Cornwallis.
1752. March 23rd. Issue of the *Halifax Gazette*, the first paper published in Canada.
1755. Expulsion of the Acadians from Nova Scotia—about 6,000.
1758. First meeting of Nova Scotian Legislature.
1759. July 26th. Capture of Fort Niagara by the English under General Prideaux, who was killed during the assault. July 25th. Commencement of the siege of Quebec. September 12th. Battle of the Plains of Abraham and defeat of the French by General Wolfe, who was killed on the field. Loss of the English, 700, and of the French, 1,500. September 13th. Death of General Montcalm, commander of the French forces. September 18th. Capitulation of Quebec to General Townsend.
1760. April. Unsuccessful attack on Quebec by General de Levis.
1762. British population of Nova Scotia, 8,104. First English settlement in New Brunswick.
1763. February 10th. Treaty of Paris signed, by which France ceded and guaranteed to His Britannic Majesty in full right "Canada with all its dependencies." Cape Breton annexed to Nova Scotia.
1764. June 21st. Issue of the *Quebec Gazette*. In this year Pontiac, Chief of the Ottawas, organized a conspiracy for a simultaneous rising among the Indian tribes, and a general massacre of the British. The plan was successfully carried out in several places, where not a soul was left alive, but finally the Indians were forced to succumb.
1768. General Carleton, afterwards Lord Dorchester, appointed Governor-General.
1769. St. John's Island (Prince Edward Island) made into a separate Province, with Walter Patterson as the first Governor. The first meeting of an elected House of Assembly took place in July, 1773.
1774. The "Quebec Act" passed. This Act gave the French Canadians the free exercise of the Roman Catholic religion, the enjoyment of their civil rights, and the protection of their own civil laws and customs. It annexed large territories to the Province of Quebec, provided for the appointment by the Crown of a Legislative Council, and for the administration of

the criminal law as in use in England. North-west coast of British Columbia explored by Vancouver and Cook.

1773. Outbreak of the American Revolution, and invasion of Canada by the Americans. Every place of importance rapidly fell into their hands, with the exception of Quebec, in an attack upon which General Montgomery was defeated and killed on 31st December.

1776. Reinforcements arrived from England, and the Americans were finally driven out of Canada.

1778. June 3. First issue of the *Montreal Gazette*. This paper is still published.

1783. September 3rd. Signing of the Treaty of Versailles and definition of the boundary line between Canada and the United States, viz., the Great Lakes, the St. Lawrence, the 45th parallel of north latitude, the highland dividing the waters falling into the Atlantic from those emptying themselves into the St. Lawrence, and the St. Croix River.

1784. Population of Canada, 113,012. (United Empire Loyalists in Upper Canada not included.) Fredericton, N.B., founded. Cape Breton separated from Nova Scotia politically. British population of Nova Scotia, 32,000 (about 11,000 Acadians not included).

1784. About this time began the migration into Canada and Nova Scotia of the United Empire Loyalists, as they were called—that is, of those settlers in the American States who had remained faithful to the British cause. This migration lasted for several years, and though it is not possible to arrive at any exact figures, it is probable that the number altogether was not less than 40,000. The Loyalists were well treated by the British Government.

1785. May 18. Date of charter of St. John, N.B., the oldest incorporated town in Canada. Sydney, C.B., founded by Lieutenant-Governor DesBarres.

- August 16. New Brunswick made a separate province; population 11,457. Re-

introduction of the right of Habeas Corpus.

1787. First Colonial See established in the British Empire, in connection with the Church of England in Nova Scotia.

1788. Western Canada (now Ontario) divided into five districts, and English law introduced. King's College (N.S.) founded.

1791. Division of the Province of Quebec into two provinces, viz., Upper and Lower Canada. Each Province to have a Lieutenant-Governor, and a Legislature composed of a House of Assembly and a Legislative Council. The members of the Council were to be appointed by the Lieutenant-Governor for life, those of the Assembly to be elected by the people for four years. Population of the two provinces, 161,311.

1792. September 17. First meeting of Parliament of Upper Canada at Newark (Niagara), under Lieutenant-Governor Simcoe. The House of Assembly consisted of sixteen members.

December 17. Opening of the Legislature of Lower Canada, at Quebec, by General Clark. The House of Assembly consisted of fifty members.

1793. Abolition of slavery in Canada. Upper and Lower Canada separated from the Church of England See of Nova Scotia and founded as a separate See. Toronto founded as York. Rocky Mountains crossed by McKenzie.

1796. The seat of government of Upper Canada removed from Niagara to York (Toronto).

1798. The name of St. John's Island changed to that of Prince Edward Island, in honour of the Duke of Kent—the change to take effect in 1800. Population, 4,500.

1800. Jesuits' Estates taken possession of by the Government. King's College, N.B., granted a Royal charter.

1805. Founding of the Quebec *Mercury*.

1806. November 22. Issue of *Le Canadien*, the first newspaper printed entirely in French. Population of Upper Canada, 70,718, and of Lower Canada, 250,000.

1812. War declared between Great Britain and the United States.  
 August 17. Surrender of Detroit by the Americans under General Hull to General Brock.  
 October 13. Battle of Queenston Heights and defeat of the Americans. Death of General Brock.  
 November. Defeat of General Dearborn by Colonel de Salaberry at Lacolle River.
1813. April 25. Capture of York by the Americans.  
 June 5. Battle of Stoney Creek and defeat of the Americans.  
 September. Battle of Moraviantown. Retreat of the British and death of the Indian chief, Tecumseth.  
 October 26. Battle of Chateauguay. Defeat of three thousand Americans under General Hampton by Colonel de Salaberry with four hundred French-Canadian militia.  
 November 11. Battle of Chrysler's Farm. Defeat and rout of General Wilkinson and the Americans by the Canadian militia under Colonel Morrison.
1814. July 25. Battle of Lundy's Lane and defeat of the Americans.  
 December 24. War terminated by the Treaty of Ghent. Population of Upper Canada, 95,000, and of Lower Canada 335,000.
1818. October 30. Convention signed at London regulating the rights of Americans in the British North American fisheries.
1821. Commencement of the Lachine Canal. First vessel passed through in 1825.  
 Amalgamation of the Hudson's Bay Company and the Northwest Trading Company.
1827. Guelph founded by John Galt. Treaty of London. McGill College received its charter. It was founded in 1811.
1831. Population—Upper Canada, 236,702; Lower Canada, 553,134.
1833. August 18. The steamer *Royal William* left Pictou, N.S., for Gravesend, England, at which port she arrived after a stormy passage. She was the first steamer that ever crossed the Atlantic with a motive power entirely steam.
1836. July 21. Opening of the railway from Laprairie to St. John's—the first railway in Canada.
- 1837-38. Outbreak of rebellion in both Provinces. It was suppressed in Upper Canada by the militia, and in Lower Canada by the British troops.
1840. Death of Lord Durham, to whose exertions the subsequent union of the Provinces was mainly due. Quebec and Montreal incorporated. Montreal *Daily Advertiser* founded. First daily journal in Canada.
1841. February 10. Union of the two provinces under the name of the Province of Canada, and nominal establishment of responsible government. The Legislature was to consist of a Legislative Council and Legislative Assembly, each Province to be represented by sixty-two members—forty-two elected by the people and twenty appointed by the Crown. Population of Upper Canada, 455,688.  
 May 17. Landslide from the Citadel rock, Quebec—32 persons killed.  
 June 13. Opening of the first united Parliament at Kingston, by Lord Sydenham.
1842. August 9. Settlement of a boundary line dispute between Canada and the United States by the Ashburton Treaty.
1843. Victoria, B.C., founded by James Douglas.
1844. Population of Lower Canada, 696,000.
1845. Large fires in the city of Quebec, 25,000 people rendered homeless.
1846. Oregon Boundary Treaty.
1847. British navigation laws repealed. Electric telegraph line established between Quebec, Montreal, and Toronto.
1848. The St. Lawrence canals open for navigation.
1849. April 25. Riots in Montreal over the passage of the Rebellion Losses Bill, and burning of the Parliament library at Montreal.
1850. The first sod of the Northern Railway turned by Lady Elgin. The road was opened from Toronto to Bradford on

13th June, 1853, and was the first locomotive railway in operation in Upper Canada.

1851. Transfer of the control of the postal system from the British to the Provincial Governments, and adoption of a uniform rate of postage, viz.: three pence per half ounce. The use of postage stamps was also introduced. Population of Upper Canada, 852,000; of Lower Canada, 890,261; of New Brunswick, 193,800; and Nova Scotia, 276,854. Young Men's Christian Association organized in Montreal—first in America.

1852. Commencement of the Grand Trunk Railway.

1853. The number of members in the Legislative Assembly increased from 84 to 130, being 65 from each Province.

May 9. First ocean steamer arrived at Quebec.

1854. January 27. Main line of the Great Western Railway opened for traffic. Abolition of Seigneurial Tenure in Lower Canada, and settlement of the Clergy Reserves question.

June 5. Reciprocity Treaty with the United States signed at Washington.

1856. The Legislative Council of the Province of Canada made an elective chamber. Allan Steamship Line commenced regular fortnightly steam service between Canada and Great Britain.

1857. March 12. Desjardins Canal railway accident; 70 lives lost.

1858. Adoption of the decimal system of currency. Selection, by the Queen, of the city of Ottawa as the capital of the Dominion and permanent seat of government.

April. Gold found in British Columbia. Gold found in Tangier River, Nova Scotia.

1859. New Westminster, B.C., founded by Colonel Moody.

1860. Winnipeg founded. First Provincial Synod of the Church of England held in Montreal.

August 25. Opening of the Victoria Bridge by the Prince of Wales. This bridge

crosses the St. Lawrence at Montreal on the line of the Grand Trunk Railway. It is the largest iron tubular bridge in the world, is 60 feet high in the centre, and nearly two miles in length.

September 1. Laying of the corner stone of the Dominion buildings at Ottawa by the Prince of Wales. These buildings, together with the Departmental buildings, have been erected at a total cost, up to 29th June, 1894, of \$4,979,242. Art Association founded in Montreal.

1861. Population of Upper Canada, 1,396,091; of Lower Canada, 1,111,566; of New Brunswick, 252,047; of Nova Scotia, 330,857; of Prince Edward Island, 80,857; of Vancouver Island, exclusive of Indians, 3,024.

1864. Quebec Conference held. Resolutions are passed in favour of confederation of British North American provinces. Raid from St. Albans into Canada.

1866. Nova Scotia and New Brunswick accept confederation with Canada. Great fire in Quebec; 2,129 houses burned in St. Roch's and St. Sauveur suburb.

1866. March 17. Termination of the Reciprocity Treaty, in consequence of notice given by the United States.

June 1. Invasion of Canada by Fenians. Battle of Ridgeway, and retreat of the volunteers.

June 3. Withdrawal of the Fenians into the United States.

June 8. First meeting of Parliament in the new buildings at Ottawa. At this meeting the final resolutions necessary on the part of the Province of Canada to effect the confederation of the provinces were passed.

November 17. Union of Vancouver Island and British Columbia proclaimed.

1867. February 10. The British North American Act passed by the Imperial Parliament.

July 1. Union of the Provinces of Canada, Nova Scotia, and New Brunswick under the name of the Dominion of Canada. The names of Upper and Lower Canada changed to Ontario and Quebec respec-

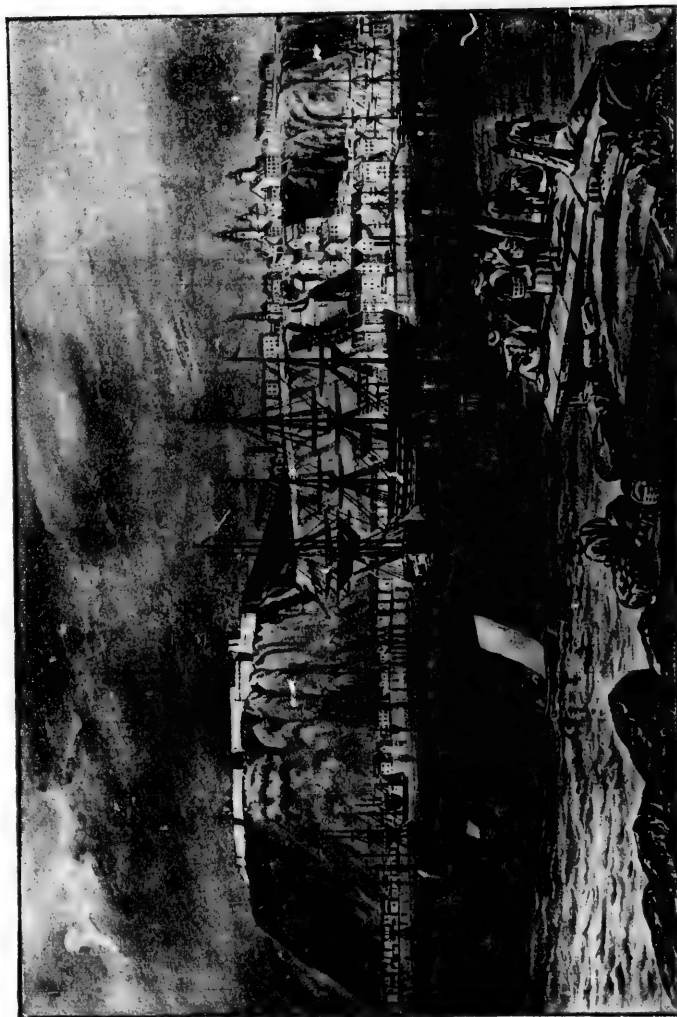
- tively. Lord Monck was the first Governor-General of the Dominion, and the first Parliament met on the 6th November, Sir John A. Macdonald being Premier.
1868. April 7. The Hon. T. D'Arcy McGee, M.P., murdered at Ottawa.
- July 31. The Rupert's Land Act passed by the Imperial Government, providing for the acquisition by the Dominion of the Northwest Territories. Uniform rate of three cents for letters throughout the Dominion adopted.
1869. June 22. Bill passed providing for the Government of the North-West Territories.
- October 29. Hon. William Macdougall appointed Lieutenant-Governor. Red River Rebellion commenced.
- November 19. Deed of surrender signed, Hudson's Bay Company to Her Majesty.
1870. March 4. Thomas Scott shot at Fort Garry.
- September 24. Arrival at Fort Garry of the expedition under Colonel (now Lord) Wolseley, when the rebels were found to have dispersed.
- May 25. Fenians crossed the frontier at Trout River, in Quebec, but were driven back by the volunteers.
- July 15. Addition of the North-West Territories to the Dominion, and admission of the Province of Manitoba into the Confederation. This Province was created out of a portion of the newly acquired territory.
1871. May 8. Signing of the Treaty of Washington.
- July 20. Admission of British Columbia into the Confederation. Population of the four Provinces, 3,485,761; of Manitoba, 18,995; of British Columbia, 36,224; and of Prince Edward Island, 94,021. Total, 3,635,001.
- November 11. The last British regular troops left Quebec.
1872. Abolition of dual representation. Dominion Archives established.
1873. May 20. Death of Sir George E. Cartier in London.
- July 1. Admission of Prince Edward Island into the Confederation.
1875. Rupert's Land and the North-West Territories placed under jurisdiction of a Lieutenant-Governor separate and distinct from Manitoba. Presbyterian Church in Canada formed by the union of all the Presbyterian churches.
1876. Opening of the Intercolonial Railway from Quebec to Halifax.
- June 5. Supreme Court of Canada, first session. Legislative Council of Manitoba abolished. District of Keewatin created by Act of Parliament.
1877. June 20. Conference in St. John, New Brunswick.
- November 23. Award by Halifax Fisheries Commission of the sum of \$5,500,000 to the Imperial Government.
1879. Adoption of a protective tariff, otherwise called the National Policy.
1880. Death of the Hon. George Brown. All British possessions on North American continent (excepting Newfoundland) annexed to Canada by Imperial Order in Council from 1st September, 1880. The Arctic Archipelago transferred to Canada by Imperial Order in Council. Royal Canadian Academy of Arts founded by the Marquess of Lorne.
- October 21. Contract signed for the construction of the Canadian Pacific Railway.
1881. April 4. Population of the Dominion, 4,324,810. Royal Society of Canada founded.
- May 2. First sod turned by the Canadian Pacific Railway Company.
1882. May 8. Provisional Districts of Assiniboia, Saskatchewan, Alberta, and Athabasca created.
- May 25. First meeting of the Royal Society of Canada in Ottawa.
- June 22. Constitutionality of the Canada Temperance Act confirmed by the Privy Council.
- August 23. The new seat of Government for the North-West Territories received the name of Regina.

1883. Methodist churches in Canada formed into one body. First congress of the Church of England opened in Hamilton.
1884. Boundary between Ontario and Manitoba settled by decision of Judicial Committee of the Imperial Privy Council, and confirmed by Her Majesty in Council, August 11, 1884.
1885. March 26. Outbreak of rebellion in the North-West. Commencement of hostilities at Duck Lake.  
 April 2. Massacre at Frog Lake.  
 April 14. Fort Pitt abandoned.  
 April 24. Engagement at Fish Creek.  
 May 12. Battle of Batoche and defeat of the rebels.  
 May 26. Surrender of Poundmaker.  
 July 2. Termination of the fishery clauses of the Washington Treaty by the United States.  
 July 2. Capture of Big Bear, and final suppression of the rebellion. Total loss of militia and volunteers under fire, killed, 38; wounded, 115. The rebel loss could not be ascertained.  
 November 7. Driving of the last spike of the Canadian Pacific Railway.
1886. May 4. Opening of the Indian and Colonial Exhibition in London.  
 June 13. Town of Vancouver totally destroyed by fire—four houses left standing, fifty lives lost. First through train left Montreal for Vancouver. First Canadian Cardinal—Archbishop Taschereau.
1887. Inter-Provincial Conference held at Quebec. At this Conference Sir Oliver Mowat was President. Twenty-one fundamental resolutions were passed—one declaring in favour of unrestricted reciprocity in trade with the United States.  
 April 4. Important Conference in London between representatives of the principal Colonies and the Imperial Government—Canada represented by Sir Alexander Campbell and Mr. Sandford Fleming.  
 June 14. First C.P.R. Steamship arrived at Vancouver from Yokohama.  
 November 15. Meeting of the Fisheries Commission at Washington.
1888. February 15. Signing of the Fishery Treaty at Washington. Rejected in August following by the United States Senate.
1889. September 19. Landslide (second) from Citadel Rock, Quebec—forty-five persons killed. Boundaries of Ontario confirmed by Imperial Statute.
1890. May 6. Longue Pointe Lunatic Asylum, near Montreal, destroyed by fire—over seventy lives lost. The buildings had been erected at a cost of \$1,132,232.  
 October 6. McKinley Tariff Bill came into operation in the United States.
1891. April 6. Population of the Dominion 4,833,239. Power given by Parliament to the Government to refer to the Supreme Court of Canada for its opinion important questions of law or fact touching provincial legislation or the appellate jurisdiction as to education and any other matters.  
 April 29. The first of the new C.P.R. steamers arrived at Vancouver from Yokohama, beating the record by over two days. The mails were landed in Montreal three days and seventeen hours from Vancouver.  
 June 6. The Right Hon. Sir John A. Macdonald, G.C.B., Premier of the Dominion, died.
1892. April 17. Death of the Hon. Alexander Mackenzie.  
 May 24. Death of Sir Alexander Campbell, Lieutenant-Governor of Ontario.  
 September 28. Legislative Council of New Brunswick abolished.  
 December 5. Resignation (from ill-health) of Sir J. J. C. Abbott, K.C.M.G., Premier of the Dominion. Sir John S. D. Thompson called upon to form a government.
1893. Legislative Council and Assembly of Prince Edward Island merged into one body.  
 April 4. The Court of Arbitration, respecting the seal fisheries in Behring Sea, which met formally on 23rd March, began its session. Arbitrators: Baron de Courcel (Belgium), Lord Hannen (Great Britain), Sir John Thompson (Canada),



- John M. Harlan and J. P. Morgan (United States), Marquess Visconti Venosta (Italy), and M. Gram (Norway and Sweden).
- October 30. Death of the Hon. Sir J. J. C. Abbott.
- June 8. First Steamer of the new Australia-Canada line arrived at Victoria, B.C. The title "Honourable," as conferred by the Queen in the Duke of Buckingham's despatch, No. 164, of 24th July, 1868, explained by Lord Ripon as extending to all parts of Her Majesty's dominions. See *Official Gazette* (Canada), August 5th, 1893.
1894. June 28. Opening at Ottawa of the Colonial Conference to discuss matters of interest to the Empire. The Imperial Government, New South Wales, Cape Colony, New Zealand, Victoria, Queensland, and Canada represented.
- July 23. Canadian re-adjusted Customs Tariff assented to by Governor-General.
- December 12. Death of Right Honourable Sir John Thompson in Windsor Castle.
- December 13. Sir Mackenzie Bowell called on to form a Cabinet.
- December 14. Funeral service in London for Sir John Thompson.
- December 20. Franco-Canadian treaty passed the French Senate.
1895. January 1. H.M.S. *Blenheim*, with Sir John Thompson's remains, arrived in Halifax.
- January 19. Imperial Privy Council delivered judgment in the Manitoba School Case appeal.
- April 4. Canada-Newfoundland Confederation Conference opens.
- April 24. Report of the Royal Commission on the liquor traffic submitted to the House of Commons.
- April 30. Sir Henry Tyler, President of the Grand Trunk Railway, resigned.
- May 10. Sir Charles Rivers-Wilson elected President of the G.T.R.
- May 15. Deadlock in Newfoundland confederation negotiations. Royal Society met in Ottawa.
- May 22. Manitoba School Question Conference at Ottawa.
- May 29. Principal Peterson appointed to McGill University.
- June 6. Sir John Macdonald Memorial unveiled at Montreal.
- June 13. Manitoba refused to obey the Remedial Order.
- July 1. Sir John Macdonald Monument, Ottawa, unveiled.
- July 7. Cabinet crisis at Ottawa.
- July 11. Announcement of the Hon. A. R. Angers' resignation from Dominion Cabinet. End of crisis.
- July 20. Private Hayhurst, Canadian Bisley team, won Queen's prize.
- July 25. Lundy's Lane Memorial unveiled at Drummondville.
- September 9. Opening of the Sault Ste. Marie Canal.
- September 25. Chrysler's Farm Monument unveiled.
- September 27. B. C. Sealers ask for arbitration re Behring Sea claims.
- October 23. Macdonald monument at Kingston, unveiled.
- October 26. Unveiling of monument to heroes of 1812, at Chateaugay.
- November 25. Copyright Conference at Ottawa successful. Hall Caine banquipped at Ottawa.

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A VIEW OF THE CITADEL AND CITY OF QUEBEC.



## THE ORIGIN OF THE FRENCH CANADIANS

BY

BENJAMIN SULTE, F.R.S.C.

WHAT part of France did the French-Canadians come from? How did they acquire their present form of language? From whence did they receive their present characteristics? Why are not some of the different "patois" spoken in France heard here? I intend to try and explain the transformation of a certain number of French people into settlers upon the St. Lawrence during the 17th century and from this to trace the origin of the present French-Canadian population.

Acadia was peopled without any kind of organization between 1636 and 1670 or thereabouts, No one has yet satisfactorily demonstrated where the French of that colony came from, though their dialect would indicate their place of origin to be in the neighbourhood of the mouth of the River Loire. They are distinct from the French-Canadians in some particulars and not allied by marriage with the settlers on the St. Lawrence.

Brittany never traded with Canada or New France, as it then was, except that, from 1535 to 1600, some of the Malo navigators used to visit the lower St. Lawrence and barter with the Indians, but there were no European settlers in the whole of the pretended New France. Afterwards the régime of the fur companies, which extended from 1608 to 1632, was rather adverse to colonization and we know by Champlain's writings that no resident, no *habitant*, tilled the soil during that quarter of a century. The men who were employed at Quebec and elsewhere by the companies all belonged to Normandy, and, after 1632, twelve or fifteen of them married the daughters of the other Normans recently arrived, and became permanent settlers. Brittany remained in the background after, as well as before 1632. This is confirmed by an examination of the par-

ish registers of Quebec, in which seven or eight Bretons only can be found during the 17th century.

The trade of Canada remained in the hands of the Dieppe and Rouen merchants from 1633 until 1663. It consisted solely of fish and fur, especially the latter. Therefore, any man of these localities who wished to go to Canada to settle there was admitted on the strength of the Charter of the Hundred Partners who were nominally bound to send in people brought up to farming in order to cultivate the soil of the colony, but who did nothing of the kind except transporting certain emigrants who sought of their own volition to go. There is even indication that the transport was not free. The other seaports of France, having no connection with Canada before 1662, five or six families only came from those ports.

The little colony at Montreal, which came from Anjou, subsequent to 1640, differed little in character from the others, except that its members had not been brought up to till the soil and there were no women among them. A number, therefore, married the daughters of the earlier Norman settlers. This helped to preserve the uniformity of the language and general habits of the people. Had the Company of Rouen and Dieppe merchants continued to control the trade of the colony, it is certain that the development of the agricultural population, slow as it had been from the beginning, would have been altogether on Norman lines. But in 1662 another influence made its presence felt in Canada. A small flow of immigrants, men and women, set in from the country parts around Rochelle and from the Province of Poitou. These were, year by year, as they came out, merged amongst older colonists, assuming their habits and forms of speech.

When the business of the Hundred Partners collapsed about 1660, Paris and Rochelle came in for a certain share of interest as they were the creditors of the expiring company, and soon we notice additional immigrants arriving from the neighbouring country places of those two cities. These settlers (1633-63) came as a rule individually or in little groups of three or four families related to each other, as many immigrants from various countries do at the present day. From an examination of family and other archives extending now over thirty years of labour I make the deduction that Perche, Normandy, Beauce, Picardy, and Anjou (they are given in their order of merit) contributed about two hundred families from 1633 to 1663, the period of the Hundred Partners' régime. By natural growth these settlers reached the figure of 2,200 souls in 1663. In this latter year there came about one hundred men from Perche and one hundred and fifty from Poitou, Rochelle and Gascony, with a small number of women. This opened a new phase in the history of our immigration by introducing Poitou and Rochelle amongst the people of the northern and western provinces of France who already counted two generations in the three districts of Quebec, Three Rivers, and Montreal. After 1665, the city of Paris, or rather the small territory encircling it, contributed a good share. The whole of the south and east of France had no connection with Canada at any time. Normandy, Perche, Maine, Anjou, Touraine, Poitou, Saintonge, Angoumois, Guienne, and Gascony—on a straight line from north to south—furnished the whole of the families now composing the French-Canadian people.

From 1667 till 1673 a Committee was active in Paris, Rouen, and Rochelle, recruiting men, women and young girls, for Canada. This Committee succeeded in effecting the immigration into Canada of about 4,000 souls. Half of the girls were from country places in Normandy, and the other half were well educated persons, who did not go into rural districts, but married in Quebec, Three Rivers, and Montreal. Since these people were brought to Canada by the organized efforts of a Committee we might expect to find some detailed record of their arrival and origin, but as yet no such information is known to exist.

We are merely told by contemporary writers of that period how many arrived at such and such date, and the port of embarkation. Happily the Church registers, notarial deeds, papers of the Courts of Justice, and several classes of public documents show abundantly the places of origin of those who actually established their families here.

In 1673 the King stopped all emigration, and this was the end of French attempts to colonize Canada. The settlers, of course, remained as they were, and in 1680 the whole population amounted only to 9,700 souls. Double this figure every thirty years and we have the present French population of the Province of Quebec, Ontario, and that of the groups now established in the United States. The bulk of the men who came during 1633-1673 were from rural districts, and took land immediately on their arrival here. It is noticeable that a large number of them had, besides, a trade of their own, such as carpenter, cooper, blacksmith, etc., so that a small community of twenty families possessed between themselves all the requirements of that kind which were needed. No land was given to those who did not show qualification for agricultural pursuits, but they were placed for three years in the hands of an old farmer before the title of any property was signed in their favour.

Discharged soldiers from the Carignan Regiment, in 1670-1673, together with many of the men from Poitou and Rochelle, who came out single, married the daughters of the previously settled Normans. This accounts for the marked absence at the present time throughout the French speaking communities of Canada of any but the Norman accent and forms of speech. All other accents have been overcome by that of the Norman mothers, and while it is true that the number of immigrants coming between 1662 and 1674 far exceed those of the earlier period, yet those first settlers, through their conservative powers and clannish tenacity, could not be overcome by the influx of numbers, but became, on the contrary, the conquerors, and that too in a very short space of time.

After 1674 few, if any, immigrants settled on the banks of the St. Lawrence. There were at most not more than thirty or forty a year, which were

absorbed in the same manner into the general population. The wars which prevailed from 1634 to 1713 depleted this annual immigration, so that the census of 1631 is taken as the basis for all French Canadian genealogical computation even up to our own time.

In regard to troops disbanded in Canada at various dates much misunderstanding exists. The real facts are that before 1665 there were no soldiers, therefore no disbandment, and from 1665 to 1673 a few isolated cases only. The Regiment of Carignan came to Canada in 1665 and left in 1669, with the exception of one company, which eventually was disbanded here, and from 1673 to 1753 the garrisons of Canada consisted as a rule of about three hundred men in all, under an Infantry Captain, sometimes called the Major when no longer young. Besides that "detachment," as it was styled, an addition of six or seven companies was sent to the Colony during the years 1684-1713, on account of the war. From 1753 to 1760 the regiments sent under Dieskau and Montcalm (Seven Years' War) do not seem to have left any number of men in the country. Therefore, the "military element" had very little to do with the formation of our French population.

I desire now to deal with La Hontan, a writer upon whom succeeding historians based their assertions as to the questionable character of many of the emigrants who were sent out by the Home Government. La Hontan, who came to Canada in 1684, wrote home to his friends describing the country and his experiences. These letters were collected and afterwards published in book form. In some of these letters he describes the marrying scenes of newly arrived girl immigrants and other spicy matters which never took place, and as it is that kind of reading that takes the eye and remains longest in the popular mind, this letter is the one most quoted. Now, La Hontan in many of his epistles describes most accurately what occurred before his eyes, but this particular letter is so untruthful that there is little doubt that it was never written by La Hontan, especially as many of the incidents therein referred to indicate the scenes as having occurred in the West Indies. The statements, too, from other sources, that Canada was peopled by discharged prisoners is manifestly untrue, for the Supreme Council of

Canada exercised the greatest care in the selection of settlers, and the whole details of the case referred to are found noted in the deliberations and correspondence of the Council. Such items as—"two needle makers having come out with the last party of immigrants are not desirable settlers," are constantly to be found.

On the subject of that uniformity of language which is so remarkable amongst the French-Canadians I may observe that it is the best language spoken from Rochelle to Paris and Tours, and from there to Rouen. Writers of the 17th century have expressed the opinion that French-Canadians could understand a dramatic play as well as the *élite* of Paris. No wonder to us, since we know that theatricals were common occurrences in Canada and that *The Cid* of Corneille was played in Quebec in 1645, *The Tartuffe* of Molière in 1677, and so on. The taste of music and the love for songs are characteristics of the French-Canadian race. The facility with which it learns foreign languages is well known in Canada, where many speak Indian, Spanish, and English as well as their own tongue.

There now remains to be considered only the question of the half-breeds, with regard to which there need be little doubt, for the civil as well as the religious authorities were strongly opposed to inter-marriages with the Indians. Then, too there exists at the present day such a complete record of the genealogy of each family, showing clearly that rarely did such marriages take place. Of course those who removed to the North-West are not taken into account when speaking of mixed marriages, because, far from forming part of the French-Canadian population, they were apparently lost to it at the time of migration, as are those who have since gone to the States.

In this brief glance at the origin of the French-Canadians nothing has been said of Scotch, English, and Irish elements which have been in many cases absorbed by the original Norman stock and have become part of the race, but on the other hand Indian half-breeds of all periods are looked upon as distinct in race from the white population. The conclusion which I have arrived at is that the French-Canadian type is Norman, whether its origin be pure Norman, mixed Norman, Gascon, or French-English.

**The Fur-Trade Companies held an important place in the history of Canada, and their annals would furnish a prolonged survey of adventurous trading, interesting discoveries, perilous positions, painful hardships, and brave actions. This statement of course applies chiefly to the individuals who obtained the furs and skins for the Companies. So far as the corporations themselves were concerned they looked after the business for which they were organized, and usually had their headquarters in France. But around them and through them surged a multitude of woodsmen, hunters, trappers, and explorers amid the wilds of the new continent. The chief French Trading Companies, during the hundred years of English and French struggle were as follows :**

St. Malo.....	Dupont Gravè and Chauvin...	1599
De Chaste.....	Aymar de Chaste and Dupont Gravè.....	1602
De Monts.....	De Monts, Champlain, and Dupont Gravè.....	1603
	Charter lost in.....	1607
	Restored for one year in.....	1608
Rouen.....	Formed by Champlain.....	1614
De Caen.....	Rival of the Rouen Company.....	1620
Montmorency ..	Union of Rouen and De Caen Companies.....	1622
The Hundred Associates.....		1627-63
Habitants' Company.....		1645
Du Nord.....	Formed at Quebec for Hudson's Bay trade.....	1682
Du Canada.....	Formed in Quebec; existed five years.....	1700
D'Occident .....	Privileges granted for twenty-five years.....	1717

The English Companies were those of the West Indies formed in 1664, and which lost its charter ten years later; the Hudson's Bay Company organized in England in 1670, and which still exists; the Northwest Company of Montreal formed in 1783; and the "X. Y." Company, also organized in Montreal in 1796. The former was absorbed by the Hudson's Bay Company in 1821, and the latter only lasted eight years.

**The Company of the Hundred Associates** of New France, as it was officially called, resulted from Cardinal Richelieu's desire that only Roman Catholics should settle the new colony. With

this view the company was chartered, and given a full power of control, a monopoly of trade, and a large land grant, upon the understanding that 4,000 colonists of the Catholic faith were to be settled within the country in ten years. The Governors during this period, 1627-73, were, therefore, more or less controlled by the Hundred Associates. The encouragement given to emigration was very limited. The more settlers and cultivation the less wilderness and wild animals, and it therefore calmly ignored this chief condition of the grant. At this time and during the greater part of the following century the population of New France was divided into five distinct classes :

1. The *Seigneurs*, who formed a very small and limited special class, but were influential through their connection with the Government and the Fur Companies.

2. The fur traders, who constituted a large floating population of traders, merchants, and speculators, with headquarters in France.

3. The Jesuits, who were supreme in the religious life of the community, and strong enough in its public life to, in many cases, successfully oppose the Governors, and control much of the civil government.

4. The *Coureurs-du-bois*, who were made up of an adventurous class, fond of a wild and wandering life, and inured to the hardships of the forest, lakes, and rivers of the new land—men who often married Indian maidens, and whose hooded blanket-coats, red sashes, and snowshoes are the centre of many a romantic description and stirring tale of adventure.

5. The *habitants*, who constituted the real settlers and permanent colonizers, and gradually grew into the populous French-Canadian people of two centuries later.

The Company of the Hundred Associates retained its power until 1663, when the King became at last aware of its utter neglect of the fundamental principles of its charter, and found that the few colonists who had emigrated were almost at the mercy of the Iroquois, and were neither protected by the Company nor helped by the new settlers whom it was supposed to have brought out. The charter was taken away and New France became a Royal Province.

## EXPLOITS OF THE FRENCH PIONEERS

BY

R. W. SHANNON, Editor of the *Ottawa Citizen*.

THE explorers and settlers who came to Canada in the early days found themselves in a position of great hardship and danger. Beyond them lay the vast Continent covered with primeval forest, its only inhabitants wild beasts and savage men, the latter thinly scattered over broad areas. Far from their sunny home in France the new arrivals were exposed to the unaccustomed rigours of a northern climate and without the knowledge, which experience alone could impart, of how best to combat the severe cold of winter and live in comfort and enjoyment. The constant fear of attack from prowling Indians made even a scanty cultivation of the soil difficult and frequently impossible. Hunting and fishing were almost their only means of subsistence, and provisions had to be brought across the ocean from France. But the adventurous spirit which led them to desert friends and firesides, to brave the perils of the deep and the unknown dangers that might await them in a new and uncivilized land, was an indication of the courage and enterprise they were subsequently to display.

Champlain, the founder of Quebec and father of New France, was not long in the country when he was drawn into the conflicts of the Indian tribes. An historic feud existed between the Iroquois, who dwelt in the northern part of the present State of New York between the Genesee and the Hudson, and the Hurons, whose home was on the south shore of the great lake now called by their name. The Algonquins of the Ottawa were allies of the Hurons, and Champlain yielded to the request of an Algonquin chief to assist them against their formidable foes. In taking this step he laid the foundation of the hostility of the Iroquois to the French which lasted for one hundred and fifty years and caused his countrymen innumerable woes.

In June, 1609, Champlain set out with a war party of savages, which started from the present location of Quebec and directed its course to the mouth of the Richelieu at the western end of Lake St. Peter. He had with him, in a small open boat, eleven Frenchmen armed with firelocks, while the Indians accompanied them with a flotilla of canoes. A quarrel arising among the latter on the way, three-fourths of them turned back and paddled homewards, but the remainder proceeded up the river. Finding the course obstructed by rapids and foaming falls and the dangers that confronted him being much greater than he had anticipated, Champlain sent back to Quebec all his Frenchmen but two, and went forward with a force of twenty-four canoes containing sixty warriors. Presently the river widened into a lake dotted with large islands. This is the body of water that has retained Champlain's name to the present day. Pushing along its western shore, with the Adirondacks on their right and the Green Mountains of Vermont on the left, the party pursued their way until they reached a promontory near the southern extremity, where Fort Ticonderogo was afterwards built.

To escape the attention of their vigilant enemies they spent the day in the forest and paddled forward at night. When they arrived at the point mentioned they came upon the Iroquois, who hastily constructed a barricade of trees and awaited the onset. It was evening when the enemy were first sighted, and the night was spent in mutual defiance and menace. In the morning Champlain arrayed himself in his doublet and hose, buckled on a steel breastplate and back-piece, and protected his thighs with *cuisse*s and his head with a plumed casque. At his side was his sword, and in his hand his matchlock. Before him were two hundred of the Iroquois warriors—tall, straight, strong men, the fiercest and bravest



of American aborigines. Champlain stood forward, and when they were about to discharge their arrows, levelled his gun and shot down two chiefs, wounding a third. One of his French followers then fired from the woods, adding to the terror of the Iroquois, who forsook the field and fled far into the forest. Some of them were killed and some taken prisoners. That night Champlain beheld for the first time the torture inflicted by his savage companions on those who fell into their hands.

The next year he participated in another Indian fight. This time the struggle occurred near the mouth of the Richelieu. Here the Iroquois had, as before, constructed for themselves a circular defence of the trunks and boughs of trees with heavy foliage. There were about a hundred warriors inside this barricade. The Montagnais and Algonquins, who were with Champlain, surrounded them, yelling like demons, imitating the howls and screeches of wild beasts and fiercely assailing the enemy with stone-headed arrows. The Iroquois fought desperately, but frightened by the French firearms, they threw themselves on the earth at every discharge, while their assailants were for the same reason inspired with unwonted courage. A boatload of French fur-traders came to the assistance of Champlain and his companions and fired in through openings in the loose wooden wall of the barricade. The Indians, assisted by the French, then scaled the works of the enemy and slaughtered the Iroquois within, who fought like tigers to the last. Only fifteen of them escaped death, and these were made prisoners. The victorious savages cut one of the dead bodies to pieces and ate it. One prisoner Champlain saved, but the rest were kept to be tortured by the women and children, who displayed a fierce pleasure in devising methods of causing exquisite suffering to their victims and prolonging their pain.

In 1613 Champlain made a trip up the Ottawa in company with four Frenchmen and one Indian in two small canoes. The adventure was no slight one. In many places the current was swift, and dangerous boulders impeded his course. At Carillon and the Long Sault were rapids which prevented the occupants of the canoes from paddling, while the impenetrable forest that lined the

shores prevented them from making a *portage*, and they were compelled to drag their canoes along the banks with cords. Champlain almost lost his life. His foot slipped in the rapids. He fell into the boiling waters, but placing himself against a rock he was saved from being swept away, while the cord of his canoe almost severed his hand. Making his way onward he passed the falls where the Rideau discharges its tributary waters into the Ottawa, and came to the cataract of the Chaudiere where his Indians threw tobacco into the foam to propitiate the great spirit, or Manitou, and implore his protection on their further course.

Passing up the broad river he came to many a foaming rapid and open expanse until the Chats, with their numerous and picturesque falls, broke upon his view. The unbroken solitude was all about him, the silence being disturbed only by the murmur of waters, the crackling of forest branches, the quivering of leaves, the cry of the wild bird, and the splash of animals seeking the cool wave. The voyageurs soon came to Allumette Island where dwelt La Nation de l'Isle, a stray band of the Algonquins, whose chief, Tessouat, received the Frenchmen with kindness and entertained them with savage hospitality. Champlain had been induced to take the journey by a young man named Nicholas Vignau, who had ascended the Ottawa two years before and pretended to have reached a northern sea and to have seen there the wreck of an English vessel. He found that Vignau was an impostor, that he had passed the winter at Allumette Island, and that his pretended discoveries were a fraud. Nevertheless the dream of finding a western path to the far East with its silks and spices, which had allured Cartier and was afterwards to haunt La Salle, and which had been a main motive in determining Champlain upon his adventure, still gleamed before him.

Two years afterwards he again made his way up the Ottawa, this time to engage in an expedition against the country of the Iroquois. He had with him two canoes, ten Indians, Etienne Brulé, his interpreter, and another Frenchman. With these he pushed forward to his former resting place at Allumette Island, and from there followed the river till he reached the Mattawa.

Ascending this stream he crossed by a short *portage* into Lake Nipissing. Thence the party descended the French River till they came to the broad expanse of Lake Huron.

Skirting the eastern shore with its rocks, innumerable bays and islets, he struck southward to Matchedash Bay near whose shores the Huron towns were situated. Here, occupying the eastern and northeastern portion of the present county of Simcoe, Ontario, the Hurons had within an area of thirty or forty square miles between twenty and thirty villages with a population of from five hundred to a thousand each. Champlain collected his Indian allies and in September the Huron fleet, entering Lake Simcoe, made its way down the chain of lakes in which the River Trent has its origin, issued into the Bay of Quinte, crossed the eastern end of Lake Ontario, landed near where Sackett's Harbour is situated now, and struck into the Huron country. They soon found themselves near the town of the Onondagas, the tribe which occupied the central position among the Five Nations. The place was defended by four rows of palisades thirty feet high, placed at an angle and crossing each other near the top where there was a gallery for the defenders. Means were provided for extinguishing fires and a pond had been introduced into the town as a source of water supply.

Champlain tried to direct the movements of his red-skinned followers, but found that it was impossible to control them. He made wooden shields behind which they were to shelter themselves, but they were too wild and impatient to make use of them. They ran out into the open and exposed themselves to the well-directed fire of the Iroquois. For three hours they attempted to storm the town, but without success. Champlain was wounded in the knee and also in the leg with arrows, and disabled. The Hurons finally became disheartened and gave up the siege. For five days they waited in vain for re-enforcements; then taking their wounded, including Champlain, in baskets, they began their retreat through the woods, re-crossed Lake Ontario, and made their way northward to their own home. Here, Champlain spent the winter with them, making a visit of several weeks' duration to the Tobacco Nation, and afterwards to the Cheveux

Relevés, a neighbouring band. Then he returned to Quebec by the long *detour* by which he had reached the Huron country the year before.

In 1626 Quebec was in a bad plight. Of its one hundred and five inhabitants only one or two families were able to support themselves by cultivating the soil. Two brothers, William and Emery Caen, Huguenots, had a monopoly of the fur trade, and under its baneful influence private enterprise was blighted. The Indians prowled about the neighbouring forests and fields, and made it dangerous for the French to venture beyond the walls of their fortification. Provisions were scarce and dear, and the settlers were on the verge of destitution. The labour and cares of eighteen years, during which Champlain had given his best thoughts and energies to the welfare of the colony, had produced no better result than this. It was not long, however, before the eye of Cardinal Richelieu fell upon the suffering outpost of French power in America. He formed the Company of Hundred Associates, endowed it with a perpetual monopoly of the fur trade, and gave it the control of all commerce for fifteen years, as well as jurisdiction over the territory extending from Florida to the Arctic seas, and from the Gulf of St. Lawrence westward. The Company on the other hand bound itself to bring out during the next year two or three hundred tradesmen, and to increase the number to four thousand persons within a few years.

The most urgent need of the settlers was food, and in 1628 the Company sent out an expedition with men and supplies for the colony. The fleet was in charge of de Rocquemont and sailed from Dieppe, while almost about the same time an English expedition set out for the purpose of attacking the French possessions in North America. Among those who had this enterprise in hand was Gervase Kirke, an Englishman who had lived in France and married a French woman. Three small vessels were fitted out and placed under the command of Kirke's sons. The crews were largely filled by Huguenot refugees. The English fleet came up with de Rocquemont's transports in the Gulf of St. Lawrence, and the provisions intended for the relief of the suffering colony were either seized or sunk. Admiral Kirke then sailed for England, but in July of the following

year returned across the Atlantic, and when he reached Tadousac sent his brothers, Louis and Thomas, to seize Quebec. On the 20th July, 1629, Champlain capitulated, and the Red Cross of England was raised on the little fort, where it floated for three years. Kirke then made his way across the Atlantic fearful of meeting de Razilly, a French naval officer, on his way to succour Quebec. Instead of de Razilly, Captain Daniel, with two ships, was despatched from France. Finding an English Fort near Louisbourg, Cape Breton, he stormed it, and made prisoners of the English defenders. On Christmas day, 1635, Champlain died in Fort St. Louis, mourned by priests, soldiers and settlers, who had learned to love him for his integrity and singleness of purpose, and to admire him for his chivalrous courage.

Montreal was founded in 1642 as a result of the missionary zeal of two men. One of these, Jerome Le Royer de la Dauversiere, was a member of the nobility and receiver of taxes in La Fleche in Anjou. The other, Jean Jacques Olier, was a priest at Paris. Their object was to establish at Montreal three religious communities, one of secular priests to convert the Indians, one of hospital nuns, and one of teaching nuns. They found four other associates who, with themselves, constituted the beginning of the Society of Notre Dame of Montreal, and contributed the sum of £75,000 towards its objects. They obtained a grant of the island of Montreal from Lauzon, of the Company of Hundred Associates, and with it seigniorial privileges empowering them to appoint a governor, establish courts, etc. For Governor they chose Paul de Chomedey, Sieur de Maisonneuve, a brave and religious man, who had long served under arms at home and abroad. The piety of the design attracted the sympathy of a number of gifted women. Among these were Mdlle. Jeanne Mance, who set out for the new world with de Maisonneuve and a company of forty men and four women. Three years before this the Hotel Dieu, in Quebec, had been founded by the hospital sisters of the Convent of St. Augustine of Dieppe. The endowment was provided by the Duchesse D'Aiguillon, niece of Cardinal Richelieu. Four Ursuline nuns came out in that year—Mdlle. de la Peltrie, of a noble house in

Normandy, Marie de St. Bernard, Marie de l'Incarnation, Mother Superior of the Ursulines, and another. Three hospital nuns were with them and three Jesuit priests.

De Maisonneuve and his party arrived in Quebec in August, 1642, and next spring went to Montreal, accompanied by the Governor-General, De Montmagny, the Superior of the Jesuits, Father Vimont, and Mdlle. de la Peltrie. On the 17th of May, de Maisonneuve landed on the island and took up his abode. He and his men proceeded to erect modest dwellings, which they surrounded with a picket fence and protected by cannon. In 1653 Margaret Bourgeois, a young woman of Troyes, came to Ville Marie, as the new settlement was called, and established a branch of the Congregation de Notre Dame, a community of teaching nuns which still flourishes throughout French Canada. The project of the religious enthusiasts was one fraught with danger. The Iroquois had been gaining strength and harassing more and more the Huron and Algonquin allies. Having been furnished with firearms by the Dutch traders at Fort Orange, near Albany, they had spread terror through the St. Lawrence, and along the Ottawa, and the fur trade was almost brought to a standstill. They sailed down the Richelieu and subjected the inhabitants of Three Rivers and Quebec to constant annoyance and alarm. De Maisonneuve chose for the site of his settlement a point of land afterwards known as Point Calliere. In 1643, Louis d'Ailleboust de Coulonges, a gentleman of Champagne, arrived in the colony, and being an experienced military engineer, proceeded to erect solid fortifications with ramparts and bastions. For some time this new settlement escaped the notice of the Iroquois, but the peace enjoyed by the colony was too good to endure. It happened that a small band of Algonquins, flying from the Iroquois, ran for shelter to the friendly walls of Ville Marie, and their pursuers were thus made acquainted with its existence. The incident put an end to the security of the colonists. Hereafter, when they went to work in the fields they went armed, returning together, always prepared for attack.

The situation of the little band at Montreal at this time resembled that in which the inhabitants of New France generally found themselves throughout the country. The Iroquois lurked in the

woods and beset the paths. They hung upon the outskirts of the settlements ready to pounce upon stragglers and carry them off. They infested the usual avenues of intercourse with the western tribes. Their canoes were constantly seen on both the St. Lawrence and the Ottawa, and it was dangerous to pass from east to west except in strongly armed parties.

In 1660 a few young men of Montreal performed an act which gleams brightly in the annals of New France, and which saved Montreal, and perhaps the whole of Canada, from a threatened invasion of savages. Five hundred Iroquois had encamped below Montreal, and four hundred more who had wintered on the Ottawa, were on the point of joining them. It was intended that these forces should unite, attack Quebec, kill the Governor, burn the town, and then turn their attention to Three Rivers and Montreal. At this juncture the commandant of the garrison of Montreal, a young officer named Adam Daulac, *Sieur des Ormeaux*, formed a desperate plan for checking the enemy. Calling for volunteers among the youth of the city he induced sixteen of them to engage in the enterprise with him. After having made their wills and received the sacraments this little company passed up the St. Lawrence, crossed the Lake of Two Mountains and journeyed onward to the Long Sault, where they awaited the Iroquois. They were joined by a number of friendly Indians, but these, with the exception of five, afterwards deserted.

They took up their station in an abandoned enclosure formed by the trunks of trees which had been erected by an Algonquin war party of the year before. Soon the Iroquois were upon them, over two hundred in number, and the French, who had strengthened their palisade with a row of stakes inside, filling up the intervening space with dirt and stones, were attacked with fury by their savage foes. The latter attempted to set fire to the rough wooden walls of the palisade but they were driven back, again and again. The Iroquois then sent down the river for their allies who had collected at the mouth of the Richelieu. For five days, while awaiting re-enforcements, they maintained a desultory struggle. The French suffered from hunger, thirst, and want of sleep, but still continued

fighting bravely. On the fifth day the expected allies arrived and with a wild clamour of shrieks and war-whoops threw themselves upon the little fort. The defenders had muskets and larger weapons, and through loopholes which they had made in the walls of their barricade poured a steady fire upon their assailants. For three days the unequal contest waged, but Daulac and his companions, though fainting with exhaustion, prayed and fought on. Finally, the Iroquois made breaches in the palisades. They were cut down in heaps. Daulac was killed, but his



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companions fought desperately till every one of them was shot down.

Four Frenchmen were found breathing in the pile of corpses. Three of them were immediately killed and the other kept to be tortured. Some Hurons from Quebec who had asked to join the volunteers, but had deserted to the enemy, received the just reward of their treachery. The Iroquois killed some of them on the spot and carried the rest away to be butchered. This brave deed proved the salvation of the colony. A handful of men,

consisting of seventeen Frenchmen, four Algonquin Indians, and one Huron behind a rude and open fence, had kept seven hundred warriors at bay and destroyed large numbers of them. They had therefore little desire to try further the metal of the colonists by attacking them in their stone fortifications.

Six years afterwards the Governor, de Courcelles, determined to chastise the Mohawks and set out for that purpose in January, 1666, with five hundred men, of whom two hundred were Indians and seventy experienced bushrangers. The adventure was an exceedingly rash one. A journey of several hundred miles had to be taken on snowshoes amidst the severity of the winter, and with the prospect of shelter only at remote and scattered points. De Courcelles and his men went up the St. Lawrence from Quebec to the mouth of the Richelieu and ascended that river. Three forts had been placed upon it at Sorel, Chambly and St. Therese. Leaving these they made their way along Lake Champlain, passing from it into Lake George. A short march took them to the Hudson whence they attempted to make their way to the Mohawk towns. They lost their direction, however, as their guides had become hopelessly drunk at the last fort, and wandering forward by way of Saratoga Lake they came to the Dutch settlement of Schenectady where they learned that the Mohawks and Oneidas were absent on a war expedition against another tribe. At the same time the governor of New York sent three envoys to ask why they had invaded the territory of the Duke of York. De Courcelles then heard for the first time that the Dutch settlement of New Netherlands had come under English sway, and the invaders began their long and perilous march back. The snow was thawing under a cold rain and the Indians hovered about their rear. Chilled and famished they pushed resolutely forward, but sixty men perished before they reached St. Therese. An English writer of the time speaking of the expedition says, "So bold and hardy an attempt hath not happened in any day."

This expedition, unsuccessful as it was as regards its immediate object, had an excellent effect upon the savage tribes who were taught by it that their villages were not too distant to be

reached by the French. Nevertheless the Mohawks shortly afterwards attacked a party of officers hunting near Lake Champlain and seven were killed or captured. In October, 1666, de Courcelles went on another expedition, taking this time seven hundred men. They sailed, with three hundred canoes, up the St. Lawrence, the Richelieu, Lake Champlain and Lake George to where Fort William Henry was afterwards built. The force contained one hundred Indians and six hundred Canadians, of whom a large party were skilful bushrangers. The Mohawks had intended to defend their town, but were seized with terror at the last moment when they discovered the numbers and preparations of the French, and the town was taken and burned without a blow being struck. The second, third, fourth, and fifth were captured with quite as much ease, notwithstanding that the Iroquois had been assisted in strengthening their fortifications by the Dutch, and had triple palisades, bastions, and supplies of water to extinguish fires. The French not only destroyed the palisades and the dwellings, but burned the stores of food which the Iroquois had hidden in the ground and left nothing but smoking embers behind them. There was great rejoicing at Quebec on the news of this exploit and a solemn thanksgiving was offered in the parish church.

The French had a monopoly of the western trade. La Salle, who had obtained a grant of Fort Frontenac from the King, had built another fort in the Illinois country near the modern city of Ottawa, which became the centre of the trade with the Illinois and Miamis, while the Sioux, Winnebagoes, and other bands who roamed about the head waters of the Mississippi, brought their skins to Michillimackinac where the Hurons and Ottawas were stationed. The stores gathered at these points went down every summer to Montreal. The Iroquois, in their hunting grounds of northern New York, could obtain but a limited supply of fur, and as they had grown dependant upon the British and Dutch at Albany for arms, ammunition, and brandy, and as beaver skins were the only articles that would purchase these, it became their policy to detach the western and northern tribes from the French

alliance, become the factors and carriers between them and the English and Dutch, and obtain for themselves the profits of the traffic.

The western bands, Hurons, Ottawas, Ojibways, Pottawatamies, Foxes, Illinois, and others, were attracted by the superior terms on which they could dispose of their goods to the English, and notwithstanding the influence of La Durantaye, his successor Louvigny, and Du Luth, or Duluth, the French commanders in the North-West, and Nicholas Perrot, a famous forest-ranger, there was imminent danger of their changing their allegiance, joining hands with the Iroquois, and engaging in trade with the colonists at Albany. Dongan, Governor of New York, asserted the authority of the King of England over the whole country south of the lakes, claiming the Iroquois as British subjects, and to give formal effect to the claim he sent an envoy, Vicle, to set up the British coat of arms in the Mohawk towns.

Then ensued a long and varying warfare, in which the French and English struggled for ascendancy in the west. At the same time their rivalry was breaking out into open conflict in Acadia, while in Hudson's Bay a French company had determined to expel the English Hudson's Bay Company, which had established posts on that northern sea. To accomplish this purpose, in 1686, the Chevalier de Troyes left Montreal with eighty French-Canadians to destroy three of the English posts on Hudson's Bay—Fort Albany, Fort Hayes, and Fort Rupert. Troyes had under him Iberville, Sainte-Helene, and Maricourt, three sons of Charles Le Moyne. They made their way northward by a long and tedious journey over the wild and difficult country and reached Fort Hayes, which they surprised and took. They then went on to Fort Rupert and captured it, killing five of the inmates. They next proceeded to Fort Albany, thirty miles away, and having obtained possession of some cannon captured from the English, riddled the stockade and compelled the agent of the Company, who was within with thirty men, to capitulate.

A descent of Governor Denonville into the Seneca country, with between two and three thousand men, regulars, militia, and Indians, in 1687, and the ravaging of their villages, served to further exasperate, without greatly injuring, the

Iroquois. In 1690 the authority of the French over the Indians had fallen very low. Those in the north-west, about Michillimackinac, were disaffected and threatening revolt. The year before a party of Iroquois had made a descent upon Lachine to the number of fifteen hundred, and in the darkness of night and under cover of a tempest had fallen upon the sleeping inhabitants and murdered men, women and children, indiscriminately. They subsequently cut to pieces a detachment of eighty soldiers from one of the neighbouring forts and made their escape. For some time afterwards they pillaged the country around. De Frontenac, the new Governor-General, in order to strike terror into his savage foes, organized three war parties at Montreal, Three Rivers, and Quebec, respectively, to march against Albany, the border settlements of New Hampshire, and Maine.

The first party was led by D'Ailleboust, Mantet, and Sainte-Helene supported by Iberville, Bienville, Repentigney de Montesson, Le Ber du Chesne and other young men of the Canadian noblesse. This body set out in the middle of winter, and after a long and toilsome march of more than three weeks during which the men suffered terrible hardships from cold, exposure, and want of food, made its way to Schenectady, the most northerly village of New York. The Dutch inhabitants in their heedless security kept no nightly guard upon their gates; they were surprised in their beds, and men, women, and children tomahawked. Sixty persons were killed outright and between eighty and ninety captured.

The second party commanded by Francois Hertel, after journeying through the wilderness for three months amidst great privations, reached the town of Salmon Falls on the borders of Maine and New Hampshire and tomahawked or shot thirty persons while fifty were made prisoners. Hertel then joined forces with the third party under a Canadian, Portneuf, and Courtemanche. There were between four and five hundred men in the party and they proceeded to Fort Royal, where the present city of Portland stands. This work was protected by palisades and had eight cannon. Within it were about a hundred men, settlers in the neighbourhood, who



prepared to defend it. After the place had been beleaguered for three days the commander of the garrison, a trader named Davis, agreed to surrender on promise that the inmates should be spared. The condition was granted, but when the garrison laid down their arms the Indians fell upon them, murdered many and carried off the rest. After destroying all the neighbouring settlements the expedition returned home.

The conditions of life during the long period in which the Iroquois were the scourge of Canada put to daily test the valour of the French settlers, and innumerable instances of heroism brighten the annals of the time. One of the most romantic was the defence of the fort at Vercheres, in 1692, by Madeleine, the daughter of the Seigneur of the place, a girl only fourteen years of age. The inhabitants being at work in the fields, no one was left in charge but two soldiers, two boys, an old man of eighty and some women and children. In the neighbourhood appeared forty or fifty Indians. Madeleine placed herself in command of the feeble garrison and inspired them with her own courage and enthusiasm, although the two soldiers were so badly frightened that she found one of them preparing to set fire to a powder cask and blow up the magazine. Her two brothers, ten and twelve years old, respectively, assisted the soldiers in firing upon the Iroquois from loopholes in the wall, and Madeleine caused cannon to be discharged. She placed her young brothers and the old man in three of the bastions while she occupied the fourth herself. The two soldiers and a man who had been brought in covertly from the outside occupied the blockhouse. For a week the slender garrison was on duty, not resting night or day until it was relieved by a French Lieutenant with some forty men.

In 1693 Frontenac prepared a great expedition against the Mohawks of six hundred and twenty-five men under the leaders Mantet, Courtemanche and La Noue. They had one hundred soldiers, a large number of French-Canadians, as well as Abenakis, Huron, and Algonquin Indians, and a few Christian Iroquois. They captured the first town without resistance, most of the warriors being absent, placed their prisoners in the second and attacked the third. After a short fight in which twenty or thirty Mohawks were killed and

three hundred captured, they burned the town and started on the return with a long train of prisoners. After a drawn battle with a party of English and French under Major Schuyler, who had set out to attack them, they pursued their return journey northward, as usual, by the Hudson, Lake Champlain, and the Richelieu.

As the weather was comparatively mild and the ice on the lake was insufficient to bear them, they had to proceed along the shore through the woods, over rocks, in melting snow and amid tangled thickets. A store of provisions which they had left concealed at a point on Lake Champlain had spoiled and they were reduced to the extremity of chewing boiled moccasins for food and searching under the snow for hickory and beech nuts. Some died of famine, and many fell through exhaustion, while a few struggled on to Montreal to obtain assistance from De Callieres. This expedition was called a "glorious success" by Frontenac because of the moral effect upon the Iroquois, but it was dearly bought, and did not prevent those pests of the forest from continuing to hover about the French settlements.

Throughout the wavering contest between the French and English, with their savage allies, which filled the latter part of the 17th and the early part of the 18th centuries, the native-born Canadians took their full share of the fighting, and displayed fine soldierly qualities. The *coureurs-du-bois* or bushrangers, accustomed as they were to the free open life of the woods, and to long journeys by canoes from Quebec to the far north, were invaluable aids to the French commanders, and the Canadian noblesse, filled with the spirit of daring and adventure, were well qualified to infuse enthusiasm and valour into their followers. The exploit of Courtemanche, who was sent by Frontenac up the Ottawa in 1693 to rouse the Hurons and Ottawas at Michilimackinac against the Iroquois was an example of the hazardous enterprises in which the *coureurs-du-bois* were constantly engaged. With ten companions he made his way from Montreal to the northwestern extremity of Lake Huron, although the river was alive with watchful foes, eager for the scalps of Frenchmen.

A remarkable family of the period was that of Charles Le Moyne, of Montreal, with his eleven

sons—Pierre, Iberville, Longueil, Serigny, Assigny, Maricourt, Sainte-Helene, the two Chateauguays and the two Bienvilles. These young men were active and adventurous warriors, and entered with spirit into all the exploits of the colony. The most distinguished was Iberville, who had been trained in the French navy and was a skilful commander. In 1696 he attacked the English post of Pemaquid, north of the Kennebec River, and destroyed it. He then sailed for Newfoundland with eighty men, and was joined by as many more when he arrived. For two months he and his followers marched along the southern coast, destroying the fishermen's hamlets and carrying desolation everywhere. The country was bleak and barren, the settlements sparse, provisions very scanty, and the climate severe. Yet Iberville and his hardy followers allowed nothing to deter them and in the spring of 1697 the English settlements along the coast had all been wiped out with the exception of the post of Bonavista and the Island of Carbonniere. Iberville then received orders from the Governor, through his brother Serigny, to proceed to Hudson's Bay, which he did, with five vessels of war. The fleet was scattered by a storm, and Iberville, in his single ship, the *Pelican*, engaged with three English ships, the *Hampshire*, *Daring*, and *Hudson's Bay*. The first he sank with repeated broadsides, the next he attacked with such vigour that she struck her flag, while the third fled from the scene. Iberville then attacked Fort Nelson, a palisaded work, which his bombs soon reduced. In subsequent years he became the founder of Louisiana, a French province extending from the Gulf of Mexico northward, and embracing the whole of the Mississippi valley, while his brother, Bienville, was the founder of New Orleans.

On the 4th of July, 1696, Frontenac left Montreal at the head of twenty-two hundred men. He made his way to Fort Frontenac, which he had built at the eastern end of Lake Ontario, in canoes and *bateaux*. He had two battalions of regulars commanded by De Callieres, a large stock of provisions, cannon, mortars and rockets, eight hundred Canadians under De Ramezay, with more regulars and Indians commanded by DeVaudreuil. He crossed the lake to Oswego, and made his way slowly and painfully up the streams of that name.

Age had robbed the great Governor of his strength and vigour, and he had to be carried in an arm-chair through the wilderness of forest and rock. De Callieres, the Governor of Montreal, who was second in command, was suffering from gout. Nevertheless, in August they reached Lake Onondaga, where they built a fort to protect the *bateaux*, canoes, and stores.

The Indians burned their towns on the approach of the Canadians and retreated into the forts. De Vaudreuil and a detachment of seven hundred men then went on to the great town of the Oneidas, and destroyed it, with all its growing corn, seizing a number of chiefs as hostages. The English sent provisions to the Onondagas and Oneidas to support them through the winter and prevent them from being destroyed by famine, as the French had hoped they would. Like the attack of Denonville upon the Senecas in 1687 this campaign was only partially successful. It caused the Indians some inconvenience and suffering, to which they were well accustomed; but it did them no serious harm. Shortly after this event the Treaty of Ryswick established peace between England and France in both Europe and America, and in 1701 De Callieres, who succeeded Frontenac, held a great meeting of the Indians of the west, the Abenakis and the Iroquois, at Montreal, when the hatchet was buried and an end put to the insufferable persecution of French settlers by the Five Nations.

I have now to say something of the French explorers who extended the claims of France to the great lakes and the northwestern country, and southward along the Mississippi to the sea. During Champlain's life Jean Nicolet went as far west as Sault Ste. Marie, and passed through the Straits of Mackinac into Lake Michigan. In 1658 the Sieur de Grosseilliers is thought to have reached the shores of Lake Superior. In 1671 Pere Marquette founded the mission of St. Ignace on the northern side of the Straits of Mackinac, and laid the basis of a flourishing settlement, which became a great trading centre for the surrounding country. Here the French built a chapel and a fort, while the Hurons and Ottawas lived in protected villages in the vicinity. It was to this post that the *coureurs-du-bois* from Quebec directed their course for beaver skins in the far



west. The bushrangers wandered far and wide into the surrounding country and pushed their way by lake and river into the remotest west and northwest. Remarkable amongst these were Nicholas Perrot, who explored the interior of the continent, and Duluth, who was at the head of a band of *voyageurs* and who founded posts throughout the west for the convenience of the fur trade.

In 1671 the Sieur de St. Luson was commissioned by the government of Quebec to search for copper mines near Lake Superior and to take possession of the country bordering on the lakes through which tributary rivers flowed. With St. Luson were two other men who became famous—Nicholas Perrot, who has been already mentioned, and Louis Joliette. St. Luson erected a cross near the rapids of Sault Ste. Marie, and laid claim for Louis XIV. of France to Lakes Huron and Superior, the island of Mackinac, Sault Ste. Marie, and all the adjacent countries, rivers, lakes, and contiguous streams. Joliette was a native-born Canadian, who had been educated by the Jesuits. He, Father Marquette, and five companions, started in 1673 on a journey through the wilderness lying beyond Green Bay. They ascended the Fox River and crossed to the Wisconsin, which carried them forward into the Mississippi. They recognized the rapid river to be the great stream of which accounts had so often reached Canada, and passing downward they reached the mouth of the Arkansas, when, learning from some natives that the river upon which they were embarked flowed to the Gulf of Mexico, they turned homeward, went up the Illinois, followed the Des Plaines, crossed the Chicago *portage*, and reached the southern extremity of Lake Michigan.

Another great name is connected with the exploration and discovery of the west. La Salle received from Louis XIV. a grant of Fort Frontenac and the surrounding territories as a Seignury. In 1677 he, having some years before explored the country south of Lake Erie, obtained from the King letters patent, authorizing him to build forts south and west of the lakes. He brought with him from France the Recollet Father Hennepin and Henri de Tonty, the son of

an Italian resident of Paris. On the banks of the Illinois, and near the present city of Peoria, La Salle built Fort Crevecoeur, naming it after a fort in the Netherlands recently captured by the French. He left De Tonty in charge of it, but during a temporary absence of the commander it was destroyed by some of his own men. Three Frenchmen, Father Hennepin and two others, whom La Salle sent to the upper waters of the Mississippi, were made prisoners by the Sioux.

Here Father Hennepin met with Duluth, who had conceived the design of exploring the whole region beyond Lake Superior. The priest was set free and allowed to follow Duluth back to the French post at the Straits of Mackinac. During the winter of 1681 La Salle remained at a post he had built on the banks of the St. Joseph in the land of the Miamis, and in February, 1682, he descended the Mississippi, accompanied by his friend De Tonty, and Father Membre, a Recollet priest. He had with him some Abenakis and Mohican Indians, who had come from their homes by the Atlantic to accompany him. They were received with friendliness by the Indians encamped on the shores of the river, among whom were the Natchez, worshippers of the sun. On the 6th of April La Salle, De Tonty and Dautray, passed in three canoes through the three channels of the Mississippi and emerged upon the Gulf of Mexico. On high land, near the mouth of the river, a column was raised claiming the country for the King of France. In consequence of this feat of exploration La Salle was honoured by the King on his return to France in 1683-4, and was commissioned to found colonies in Louisiana. He set out for that purpose and sailed for the Gulf of Mexico, but passing the mouth of the Mississippi by mistake he made a French settlement on the shores of the present State of Texas. His colony suffered great privations, and La Salle was assassinated by two of his own men. His nephew, his servant, and a faithful companion, a Shawnee Indian, who had been with him for years, met with the same fate. Such was the sad end of the great explorer of the Mississippi, an achievement which gave France a claim to the whole territory stretching from the great lakes to the Gulf of Mexico.

## THE STRUGGLE BETWEEN FRANCE AND ENGLAND

BY

THE EDITOR

**A**MID the gloomy forests of a vast continent, through the great lake lands and river basins stretching from Hudson's Bay almost to the Mexican Gulf, in a wilderness peopled by savages and wild animals, the English and French fought for mastery during the greater part of a hundred years. Sometimes with Indian help, sometimes without, sometimes through wars involving the home nations, sometimes in strife between the colonists only, the struggle went on. No more vivid panorama of war has ever been presented, no stronger and more splendid natural setting for a vital conflict has ever been provided. The broad aisles of the primeval forest and almost untrodden wilderness echoed continually to the war-whoop of the Indian, the tramp of armed men, or the roar of European guns, while

"The flag of England and the flag of France,  
Waved in war's alternate chance."

France had the first opportunity in what is now Canada, if we except the uncertain landing of Cabot, the vain aspirations of Henry VII, the sailing expeditions of Frobisher and Drake, the early settlement and predominance of English fishermen in Newfoundland. De Monts and de Roberval, Cartier, and Champlain, between 1534 and 1628, discovered or colonized Nova Scotia and Quebec, and took nominal possession for the French Crown of a vast region north and south of the St. Lawrence. French voyageurs swarmed in time through the lakes and rivers of the north as far as Hudson's Bay, and French hunters and trappers sought sport and furs in much of the region watered by the Mississippi and its more northern affluents.

Meantime, however, the Spaniards had taken possession of Florida, Mexico, Cuba, and other West Indian Islands, and Bermuda; the English had settled in Virginia and New England, estab-

lished themselves in Newfoundland and upon the borders of the great northern Bay in whose dark and often ice-bound waters Henry Hudson met both fame and death; the Dutch had founded New York, and entrenched themselves upon a part of the Atlantic coast. While these rivals were growing into prominence, and, in the case of England, into slow but certain power by a steady process of settlement, New France remained a very fluctuating quantity. With only occasional and spasmodic help from home, the colonization of Acadia and Quebec proceeded. The monopoly of the fur trade was a bait held out to those of sordid mind at times when settlement seemed specially desirable. It was offered in 1600 by Henry IV. (Navarre), in reward for an attempt at Tadousac near the mouth of the Saguenay. Shortly afterwards, De Monts established himself in Nova Scotia, and Champlain founded Quebec, while in 1542, de Maissonneuve founded Montreal.

The little Colonies grew slowly. They had to contend with the Iroquois, the cold and privations of winter, the indifference of the Home government, and as time passed on, with the oppression of local governors and corrupt tax-collecting officials. Acadia was the scene of the first conflict between the French and the English, and here in 1612, Samuel Argall from Virginia, boldly uprooted Port Royal and established a temporary British colony in its place. If France claimed Canada by virtue of Cartier's discovery of the St. Lawrence and Champlain's explorations, England claimed the Atlantic countries and an indefinite territory inland by virtue of the Cabots' still earlier voyages. Thus commenced the prolonged contest—not always between direct officials or military forces of the countries concerned, but between colonists whose descendants were to occupy the soil either as rulers or ruled.

But this Virginian expedition was for some time only an isolated incident. The first French leaders in Canada were most ambitious men, and not deterred so easily from attaining their ends. De Monts and Champlain both contemplated and worked for the establishment of a great French empire in North America—and it was not their fault if time failed to realize their wishes. Naturally, too, the gradual growth of New France became an object of dislike and jealousy to the English Colonies. They were antagonists from national sentiment and history, rivals in trade and intercourse with the Indians, opponents in religion and forms of government, in character and customs. Hence the local conflicts and readiness with which war was plunged into, with or without support from the mother countries. Acadia remained for some time the original and chief scene of struggle. After the first destruction of Port Royal and temporary cessation of French settlement there, the English left the province. In 1621, however, Sir William Alexander, afterwards Earl of Stirling, obtained a grant from James I. of nearly the whole territory now known as the Maritime Provinces of Canada, and to this great stretch of country he gave the name of Nova Scotia. But on trying to make a settlement in 1623, he found the French again in full possession and returned home with his colonists.

Charles I., in 1628, confirmed this grant, and as war had just been declared against France on behalf of the Huguenots he despatched an expedition to capture New France—of which Acadia or Nova Scotia was supposed to be a part. Admiral Kirke and his fleet arrived during the summer in the St. Lawrence, and for the first time in history the English flag swept at the masthead of an English ship between the shores of the great Canadian river. Champlain was in a deplorable condition in his newly-built citadel, but without supplies as he was, with few soldiers and only a faint hope of better support from home, he refused Kirke's demand from Tadousac to surrender, and held on to his as yet poorly fortified capital. The English admiral encountered shortly afterwards a large French fleet at the mouth of the Saguenay, which had been sent out to relieve Champlain, captured part of it and destroyed the rest. Satisfied with this victory he

returned to England, but in the following year came out again to find the French settlement on the point of starvation and under the necessity of surrender. For three years following all New France was under the English flag, and much profit was made out of the fur trade, while a Scotch settlement was established near Port Royal. By the Treaty of St. Germain-en-Laye in 1632 however, the Canadian territory was restored to France in exchange for a sugar island in the Pacific and some arrears of money due the English King on his wife's dowry.

During the civil strife which followed in Acadia between de Charnisey and de la Tour, with its picturesque and romantic incidents of heroism, Governor Winthrop, of Massachusetts, took advantage of the struggle to help the latter of the two rivals. As he put the matter in reply to someone who opposed this intervention on religious grounds: "Is it more safe, just and honourable, to neglect a Providence which puts it in our power to succour an unfortunate neighbour, *at the same time weakening a dangerous enemy*, than to allow that enemy to work out his purposes." Finally a short-lived treaty of amity and trade was concluded in 1644 between New England and Acadia. Ten years later Cromwell sent an expedition to retake the country, which succeeded in expelling the French from St. John and Port Royal, and received some assistance from Massachusetts. It is stated that at this time the *coureurs-du-bois*, or trappers in the woods, recognized at intervals the Sovereign of France, the Lord Protector of England, or the then Pretender and future Charles the Second as their ruler—sometimes all three! In 1667, by the Peace of Breda, all territory was again mutually restored.

Towards the close of the century the hostility between the rival colonists increased greatly in bitterness. In 1664 New Netherlands had been taken from the Dutch, and the city which they had founded re-christened as New York. La Salle and de Hennepin had discovered or explored parts of the Mississippi, and given the French strong claims to a vast territory reaching down through the heart of the continent. Meanwhile both nations and both classes of colonists were trying to obtain and keep the alliance of the Indians—notably the Iroquois—and to maintain supremacy in the great

fur trade of the interior. At this time, too, the French power vastly overshadowed the English in America, and included under the sway of Louis XIV. most of the Hudson's Bay country, Acadia, Canada proper, much of Maine, portions of Vermont and New York, and the whole valley of the Mississippi. Little wonder, therefore, that the New Englanders dreaded the further expansion of those they looked upon as hereditary enemies.

Colonel Dongan in New York and the Marquess de Denonville in New France succeeded between them in stirring up the Iroquois and a bloody war ensued—1685-89. In the latter year war was declared against Great Britain by France and the continent became once more the scene of a white man's struggle aided on either side by tribes of its original owners. The French Canadian population at this time was about 11,000, that of the English colonies over 200,000. Both parties prepared for action. The gallant Frontenac was now Governor-General of New France and he was an army in himself. By his instructions from the King the Hudson's Bay territory was to be at once invaded and the province of New York over-run. In the former case success, owing to the brilliance and dash of Iberville Le Moynes was immediate. With some French troops he took possession of various posts, and finding two English war vessels in the Bay at St. Anne's he drew their men into an ambuscade and captured the ships. Meanwhile the Iroquois had glided in their light canoes down the St. Lawrence, ravaged its shores, and threatened the very gates of Montreal. On the other hand the Abenakis took the part of the French and struck terror by their raids along much of the New England border. During the winter Frontenac arranged three expeditions of French troops, assisted by the Ottawas and Hurons, into the heart of New York. Schenectady and other ports were captured and much of the country ravaged by these intrepid little bands. They had marched hundreds of miles through snow and ice into the heart of a hostile territory and their successes showed what it was to have a great man at the head of affairs. Frontenac simply compelled success, and with proper support from France might have changed the whole history of North America and the Anglo-Saxon race.

But this after all was only a raid, and when Frontenac wanted to really invade the Province in the following year (1691) the French King could not spare the troops, and the local garrison of a few hundred men was of course insufficient. If, however, he was unable to take the offensive, the men of Massachusetts were, and an expedition was fitted out under Sir William Phipps, who speedily over-ran Acadia, destroyed Port Royal once more, and annexed the country to his own province. Frontenac retorted by worrying and harrassing the frontiers of the English provinces, and was soon able to again take possession of his much harried Atlantic colony. Meantime William III. (of Orange) was being urged to take an active interest in the American war, but, like King Louis, was much too busy in Europe. New York and Connecticut therefore undertook to supply a force for the overland invasion of New France and the capture of Montreal, while Massachusetts got together a fleet of thirty-five vessels with 44 guns and 2,000 men for the siege of Quebec by sea. The command of the latter armament was given to Sir William Phipps. Owing to miscalculation as to the season, various delays, and some repulses on land by the French, the fleet eventually had to return home without accomplishing anything—despite the quaint remark of Cotton Mather that during the absence of the expedition "the wheel of prayer in New England has been continually going round." At the same time the land force under General Winthrop had to retreat from the banks of Lake George, where it had awaited tidings from Phipps.

The latter was now sent to England for assistance and the making of some arrangements about the Provincial charters. He returned with the promise of ships, and appointment as Governor of the united provinces of Massachusetts, Maine, Plymouth, and Nova Scotia, while M. de Frontenac received word about the same time that King Louis would have sent a fleet to attack the English colonies had his means permitted. In 1693 the British fleet sailed under Sir Francis Wheeler, but on its way disease broke out on board and over 3,000 sailors and soldiers died. Eventually Wheeler and his ships returned without doing anything. During the next three years the French Governor-General succeeded in check-

ing and chastising the Iroquois, and rebuilt Fort Frontenac, greatly to the disgust of the English colonists. He then planned a campaign against the English, and it was opened by Iberville Le Moyne, of the famous French-Canadian family, with the capture and destruction of Pemaquid—a fort on the Bay of Fundy, and perhaps the strongest one possessed by the English in North America. He then captured St. John's, Newfoundland, and with a few hundred men overran the whole Island. From thence he departed to the far Hudson's Bay territory, and in a short time had taken the principal forts, subdued nearly the whole of the country with a mere handful of men, and returned laden with booty in furs and peltry, and a well-deserved reputation for skill and valour. Later on, in a second expedition to the northern regions, he defeated some British ships in Hudson's Bay, and once more maintained the mastery of his flag in those distant waters.

But the end of this prolonged war had come for the moment, and by the Treaty of Ryswick, in 1697, each nation returned to the other the places and territory they had captured. William III. had made his mark in Europe, and weakened the immense power of Louis the Great. In America, after a struggle extending up the Mississippi, around the shores of the great lakes, into the ice-bound regions of the north, and along the stormy shores of Newfoundland, matters were again restored to their original condition. But no peace made in Europe could really create peace amidst the conditions prevalent on this continent. Whether it was Dongan and Denonville, Phipps and Frontenac, or others at the head of colonial affairs, the strife was bound to continue. It was the rivalry of two great races struggling for supremacy. Both the French and the English were striving for the control of the trade routes of the St. Lawrence and the Hudson. To the former the natural policy, and one pursued by Talon, de Courcelles, and La Salle, as well as by later governors, was the surrounding of the English by a vast combination of French settlements and colonies, and the restricting of their power and place to a small strip on the Atlantic coast. And Louis XIV. at one time expected to be able to deport them altogether from their homes in much the same way as the Acadians were afterwards

deported by the English. Upon the other hand the English policy was naturally one of cooping the French up in the valley of the St. Lawrence and thus checking their enterprising expansion north and south. In this aim they were tremendously helped by the bitter hostility of the Iroquois to the French name and nationality.

The Treaty of Ryswick only lasted five years, when the war of the Spanish Succession commenced with England, Austria, and Holland pitted against France and Spain. It was a glorious war for England, though one of varied failures and successes in America. British victories at Blenheim, Ramilies, Oudenarde, and Malplaquet rang through Europe like a long sustained peal of thunder, and the echo in North America indicated at last the line of ultimate success in that great continental struggle. The war was nominally based upon a question of succession to the Spanish throne, practically it was one of boundless empire in the New World beyond the seas. At first it was the old story of petty raids, cruel surprises and Indian forays. Massachusetts whaleboats harrassed the Acadian coasts; a Boston fleet tried to capture Port Royal, but failed; Hertel was sent by the Governor in Canada, de Vaudreuil, with a mixed war-party and succeeded in surprising and destroying the inhabitants of Haverhill—an English village on the Merrimac; schemes were laid for the invasion of New York, and rival preparations made for the conquest of Canada; while the Iroquois played off one nationality against the other, and profited by the antagonisms which they greatly enhanced.

Finally, in 1709, Colonel Nicholson, an able officer, organized an expedition of ships and colonial troops for the conquest of Quebec. When ready, however, the season was too far advanced and he led it to the coasts of Acadia. Port Royal was taken for the last time, and its name changed to Annapolis Royal, in honour of Queen Anne. Acadia fell easily into his hands, and with the later appearance of fifteen men-of-war under Admiral Sir Hovenden Walker—bearing a number of Marlborough's fighting regiments for the capture of the great French fortress—it really seemed as if the knell of French power had rung in North America. In the spring of 1710, Walker sailed from Boston, and Nicholson marched overland to

Lake Champlain. But the former proved utterly incapable, and after a series of mishaps and mistakes, left half his ships on the reefs of the St. Lawrence, and with a ruined reputation hurried away to England, while the French sang pæans of gratitude, and Nicholson had to return in rage and disgust to Boston. In three years more peace came, and this time nothing was returned. Acadia, Newfoundland, the Hudson's Bay territory, and St. Christopher's Island in the West Indies, were surrendered by France. Cape Breton,—then known as Ile Royale—the Island of St. John (now Prince Edward Island), and other places in the St. Lawrence were retained by France.

It was really the beginning of the end, and instead of restricting and hemming in the English settlements, New France was now met on the north, the east, and partly on the south by an aggressive fringe of growing British colonies or settlements. She still, however, held firmly the gates of the two great waterways, had the mighty inland seas of the continent in her grasp, and guarded the possibilities of the boundless west. The future seemed by no means hopeless. Hence the plots amongst the Acadians; the building of a strong French fort at Niagara, and a rival English one at Oswego; the effort to colonize the far west and de la Verendrye's explorations in what is now Manitoba and the North-West. Hence, too, the building of a French fort at the head of Lake Champlain, with a view to hindering any English expansion in that direction—a fort afterwards famous as Crown Point.

Peace lasted until 1740 when the War of the Austrian Succession began and gave an opportunity for France and England to once more meet in deadly struggle. Nominally it was over the accession of Marie Theresa to the throne of Austria, practically it was an effort by France and Spain to crush the external empire of England and sweep to the pit of destruction her growing commerce. She supported Austria and its youthful Empress and the result materially affected matters in America. The French Governor of Louisbourg, in Cape Breton, quickly decided to capture Annapolis Royal and for this purpose invaded Nova Scotia, captured some minor places, and laid siege to the English capital.

For weeks he maintained his ground, but the commander, Paul Mascarene, was indomitable and ultimately the French withdrew. In return, Governor Shirley of Massachusetts organized an expedition of 4,000 farmers and merchants, and a small fleet for the capture of Louisbourg—a powerful fortification held by trained and experienced troops. William Pepperell, a man of courage and resource, but with no military experience, was appointed to the command, and after swift preparations reached Canso, a place not far from the fortress, where he was joined by Commodore Warren with four British battle-ships. Early next morning the army of volunteers were in front of a fortress which a French officer had declared could be held by an army of women against assault and which was defended by 1,300 troops under Duchambon, an experienced soldier. It is not necessary to go into details of the siege. Ultimately Louisbourg surrendered amid the wild acclaim of all New England and the utter dismay of New France and the authorities in Paris. Pepperell was deservedly created a baronet for his great achievement.

Two great fleets were sent out to recapture it. One of thirty-nine men-of-war met with almost countless misfortunes and had to return with only a remnant. The other, in 1747, was met off Cape Finisterre, in the Bay of Biscay, and utterly annihilated by Admiral Anson. In the succeeding year peace was formally made at Aix-la-Chapelle, and France, which had been upon the whole successful in Europe, and had won from England the rich plains of Madras, was able to recover Louisbourg in exchange for its Indian conquest—to the intense chagrin of New England and New York. The peace was only nominal. The boundaries of Acadia formed an easy cause of dispute in America, while Clive and Dupleix kept up a continuous and open war in India, with ultimate victory to the former. De la Galissoniere was Governor-General in Canada, and all his activity and skill was devoted to holding and strengthening French power. He claimed New Brunswick and Eastern Maine as Canadian territory, maintained forts along the borders of Nova Scotia, marked a boundary line down the valley of the Ohio, and restricted English trade in all that immense territory. The English founded Halifax, in 1749,

brought out settlers to Nova Scotia, expelled the great bulk of the Acadians for intriguing with the French, and captured Fort Beauséjour, on the frontier.

During this period there were continual raids and massacres, chiefly at the hands of Indians allied with the French, though both sides seemed willing to share in the distinction of inciting them, and both actually did at one time pay a bounty on their enemies' scalps. What was called the Dartmouth massacre on the one side, and the murder of an Englishman named Howe on the other, were incidents of the war now being carried on in Acadia. In the west, the claims of France were pushed with even more activity after the failure of a joint commission sitting in Paris which tried to define the boundaries of the Ohio Valley. Duquesne, the Governor-General in succession to the statesman-like de la Galissonniere, and the corrupt de la Jonquiere, built several new forts and strengthened the old ones, while winning also the alliance of many of the western tribes of Indians. To meet this aggressive policy, the English colonists sent a notable protest by a youth named George Washington, who was courteously received but did not achieve any practical result. Then they organized the Ohio Company, for the purpose of trading in the disputed region—with or without leave—and built a fort at the junction of the Monongahela and Alleghany Rivers. A French expedition promptly destroyed it and erected a stronger one which they called Fort Duquesne.

Governor Dinwiddie, of Virginia, with equal promptitude, at once sent a force under Washington to drive out the French. It was met by a small contingent, which was cut to pieces, but the whole expedition was shortly afterwards surrounded by the enemy in far greater numbers and forced to surrender the temporary entrenchments which Washington had thrown up. The latter was allowed, with his men, to retire and return home with the honours of war. In 1754 two English regiments were sent out under General Braddock, and France at once despatched a larger force under Baron Dieskau with the Marquess de Vaudreuil as Governor-General. Both Powers protested against the thought of war—and Braddock prepared to reduce Forts Duquesne, Crown

Point and Niagara. In the following year he himself led an expedition of 2,000 regulars and militiamen through the forests of the west toward Duquesne. In the defiles of the Monongahela valley his force, however, was surprised by ambushed Indians and a party of 200 Frenchmen, who, unseen and unharmed by answering bullets, poured down an appalling storm of shot upon the helpless troops. Braddock was killed, Washington had two horses shot under him and his clothes riddled with bullets, and finally, barely 600 shamed and beaten troops left the field alive.

Governor Shirley's projected expedition against Niagara was at once abandoned, but Colonel Johnson with a force of braves from the Mohawk Valley and some Colonial volunteers, persisted in an expedition against Crown Point. Baron Dieskau, with his French troops, encountered the invader at Fort George, which Johnson had just built on Lake George, fourteen miles from Fort Edward on the Hudson—another new English fortification. The impetuous Dieskau dashed his men against the wall of logs and English guns which barred the way, but in vain, and after losing 600 men and being himself severely wounded and captured, his repulse became an utter rout. Johnson retained his position, strengthened the post under the name of Fort William Henry, and was afterwards made a baronet. Thus, at the close of the year, and on the verge of the final struggle for supremacy, the French were triumphant in the west, beaten back in Acadia, and checked on Lake George.

Now began the Seven Years' War in which England had Frederick the Great of Prussia as an ally, and France, Russia, Austria, and many minor states as antagonists. Out of this struggle she came gloriously triumphant. On the plains of Hindostan and throughout the wilds of America her flag floated in final victory, while the tireless Frederick maintained a memorable and grim contest in Europe. But the first years of the war in America were not very bright for her. Braddock's defeat left the borders of many English colonies open and subject to relentless and bloody raids. Local troubles and constitutional disputes also came to a head in some of the provinces, and Pennsylvania, while squabbling with its Governor, refused to protect its own frontier.



France had scored early and instant success by sending out the gallant Marquess de Montcalm to command its forces; England did the reverse by despatching the Earl of Londoun and General Abercrombie. The French leader had not more than reached Canada before he captured and destroyed Oswego (1755), the English base for a projected attack on Fort Niagara. Then he hastened up Lake Champlain and intrenched himself at Fort Ticonderogo. By these rapid moves he had secured the west and fastened the gates of entrance to Canada. Meantime Lord



The Marquess de Montcalm.

Londoun talked and did nothing. In 1757, however, he sailed for Halifax on the way to attack Louisbourg, but, unlike the gallant Pepperell in a previous campaign, he wasted months of precious time in spectacular preparations—until the place was strongly re-enforced and twenty-two men-of-war were guarding the entrance to its harbour. Seeing Londoun hundreds of miles away playing the game of war where he was comparatively harmless to the enemy, Montcalm promptly sallied out of Ticonderogo and laid siege to Fort William

Henry with 6,000 men. Owing to the cowardice of the English commander at the neighbouring Fort Edward, who had 3,600 men with him, the fortress was ultimately compelled to surrender, under a pledge of protection against the Indians, and with the right of marching unarmed to the other British post near by.

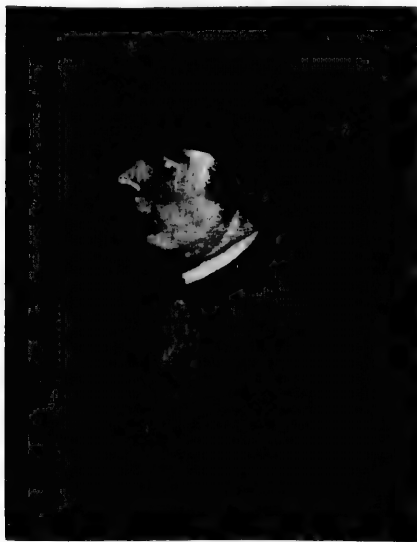
But Montcalm was unable to bind his savage allies and to his lasting sorrow the glades of the forest suddenly rang with the Indian war-whoop and the soil soon ran red with the blood of English men, women, and children. Short of calling out his own troops to resist the Indians Montcalm and his officers did everything that men could do to check the slaughter, but the former's failure to defend his helpless prisoners with his whole force remains a stain upon an otherwise noble name and character. The end, however, of this historic struggle was near. External more than internal events were the real causes of the final result and perhaps the chief of these was the accession of William Pitt to power in England at the moment of greatest triumph for the French in America. Almost in an instant the change came. Pitt, like all great rulers, recognized that the success of a war, a battle, or a campaign, frequently depends upon the men who lead rather than upon the soldiers themselves—important as the latter may be. General Amherst, a skilful, cautious officer of much experience, Major-General Wolfe, a dashing, enthusiastic soldier who had already won the keen appreciation of the Great Commoner, and Admiral Boscawen, a brave and experienced sailor, were despatched in 1758 with an army and fleet to reduce Louisbourg.

Within the massive walls of this greatly strengthened fortress now centered much of French power and *prestige* in the New World. Four thousand citizens lived behind its mighty ramparts, and three thousand regular troops guarded what was supposed to be an impregnable position. Pepperell's original plan of attack was followed by Amherst, and after a heavy siege, marked by a constant interchange of courtesies between the leaders and an equally constant exchange of shot and shell, the gallant Chevalier de Drucour was finally compelled to surrender the surviving half of his garrison and the walls of his fortress. With it went all Cape Breton, and Prince Edward Island,



while the great fortalice itself was levelled to the ground after months of labour—and so well was the work done that no-day grass grows plentifully over the almost vanished lines of earthworks, while the scene of war and tumult and roaring cannon is now one of quiet pastoral peace and beauty. The garrison was sent to England as prisoners of war, and Amherst, through the prolongation of the siege, was compelled to defer aggressive action against Quebec until the next season.

Meantime, in the west, Abercrombie had hurled



Major General James Wolfe.

fifteen thousand men against Montcalm in Ticonderogo, but the breastwork of stakes and logs and trees proved invulnerable even to the claymores of the Highlanders and the dogged obstinacy of the English charges. After leaving two thousand dead in the trenches he retired again to Fort William Henry. Elsewhere, Bradstreet was more successful, and with a force of Colonial militia crossed Lake Ontario, surprised and captured Fort Frontenac with its rich stores, and a number of French ships. A little later—November 1758—

General Forbes compelled the surrender of Fort Duquesne and in its place erected Fort Pitt—the Pittsburg of to-day. And now the final act in the great drama of moving war was to come upon the stage. In the spring three English expeditions were organized. General Prideaux and Sir William Johnson advanced upon and captured Fort Niagara and defeated a French relieving force. General Amherst marched to Lake George, forced the French to blow up Ticonderogo and retreat upon Crown Point, where, through their ships, they still maintained supremacy in Lake Champlain. The English general then spent the summer in building ships to meet his enemy—a sure but slow method of capturing victory which gave much pleasure to the recently beleaguered Montcalm.

Wolfe and Montcalm prepared meanwhile for their face to face and final struggle. The former's army before Quebec consisted of some nine thousand carefully selected troops, with Moncton, Townshend, and Murray as Brigadier-Generals, and the co-operation of a strong fleet under Admiral Saunders. Montcalm had about fifteen thousand regulars and a thousand Indians. It was a tremendous undertaking for the English commander. The frowning and apparently impregnable ramparts of Quebec, bristling over the great cliffs of the St. Lawrence, and crowded with the gallant soldiery of France under the skilled leadership of a great general, might well have proclaimed it an impossible one. Wolfe's plan at first was to tempt his opponent out to battle, and for this purpose he divided his forces, built various redoubts and fortified points from which he could harass the defenders with shot and shell and gradually batter down the walls of the city. And, though he could not draw Montcalm from his stronghold, he could seriously weaken his outer defences. Meantime, however, the summer was passing and Wolfe knew something of the winter experiences of Montgomery and Phipps and others who had previously besieged the great fortress.

Spurred on by these considerations he made one desperate attack upon the Beauport lines behind whose trenches lay the serried masses of Montcalm. But it was useless, and he withdrew his men after the loss of five hundred gallant troops. Autumn came and hope grew high in

the hearts of the besieged. Wolfe was ill, food was growing scarce, the men were becoming hopeless: the whole prospect was perplexing if not paralyzing. Then came the forlorn hope and the secret advance up the Heights of Abraham. The discovery of the movement meant the annihilation of the English force; success meant the facing of an army twice its size and in the best of health and spirits. But the plan succeeded, and as morning broke on the 13th of September, 1759, the British troops stood upon the plains and faced at last the army of Montcalm. Charging at the head of his Grenadiers, Wolfe was killed, and in the succeeding rout of his forces Montcalm was mortally wounded. The next day he died, and on the 17th of September the Lilies of France were hauled down and the Standard of England waved finally over the ramparts of the great citadel.

This was practically the end. De Levis made a gallant struggle to recover ground, defeated Murray at the battle of Ste. Foy, and had the French fleet with re-enforcements arrived before the English, might really have put a different face upon affairs. But the reverse was the case and he fell back upon Montreal. In September, 1760, he there found himself hemmed in by 17,000 British troops and in the ensuing capitulation, de Vaudreuil, as the last Governor-General of New France, surrendered the whole country. The Treaty of Paris on 10th February, 1763, closed the struggle of centuries and by it a continent passed into British hands. Spain gave up Florida, and France surrendered everything in America except Louisiana—the islands of St. Pierre and Miquelon, and certain unfortunate fishing privileges in Newfoundland.

England had thus become mistress of the New World, as well as the dominant power in India. The American struggle had been a peculiar one. Both races were alike brave, and neither naturally cruel. Yet, through their Indian alliances, the conflict had been often marked by most uncivilized and barbaric actions. New France had been greatly hampered by indifference at home, and in later years by the criminal corruption of its officials, and general misgovernment—a situation which all the skill and force of Montcalm could not overcome or even greatly modify. The whole French system was steeped in corruption and internal weakness at the time of the cession. Yet, with all the faults of their leaders, and in spite of these fatal difficulties, it was a gallant and brilliant exploit for 60,000 French—all there were in Canada at the close of the *regime*—to face an ever-increasing volume of English population, and to hold for over a century the vast territory they so well defended. Of course the English had their own troubles, and if their population numbered in 1759, a million and a quarter souls, it was none the less a divided and scattered people, with many indications of the coming internal storm and revolution. The end of the international duel was, however, a glorious one, as had been a myriad instances of individual heroism and collective conflict during its progress. Beside it all other contests seem dwarfed in the immensity of the issues involved, and in the vast field over which the contestants fought, while in results it prepared the way for the future establishment of a great English-speaking republic and a progressive British commonwealth developing side by side upon the continent of North America.

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**Lord Amherst's General Orders** to his troops after the conquest show the spirit in which the new Government was assumed:

CAMP BEFORE MONTREAL, Sept. 9, 1760.

"Parole, King George and Canada.—The General sees with infinite pleasure the success that has crowned the efforts of His Majesty's troops

and faithful subjects in America. The Marquis de Vaudreuil has capitulated; the troops of France in Canada have laid down their arms, and are not to serve during the war; the whole country submits to the dominion of Great Britain. The three armies are entitled to the General's thanks on this occasion; and he assures them that he will take the opportunity of acquainting His Majesty with the zeal and bravery which has

always been exerted by the officers and soldiers of the regular and Provincial troops, and also by the faithful Indian allies.

The General is confident that when the troops are informed that the country is the King's, they will not disgrace themselves by the least appearance of inhumanity, or by unsoldierlike behaviour, in taking any plunder, more especially as the Canadians now become good subjects, and will feel the good effect of His Majesty's protection."

(Signed) "AMHERST."

**The Sovereign Council of New France**—or as it was afterwards called the Supreme Council,—was created by the King of France in 1663 as a governing body for his possessions beyond the sea, and it retained its authority for close upon a hundred years. It was composed primarily of the Governor-General, who had charge of all military matters, the Bishop or chief ecclesiastic in the Colony, who was supreme in all church and religious concerns, the Intendant, who was President of the Council, with a casting vote, and complete control over police, trade, justice and similar departments of the civil administration. With them were associated six, and afterwards twelve other Councillors, chosen usually from amongst the leading residents. The Intendants—really the chief administrative officers so far as local government was concerned—included the following personages :

- 1663 M. Robert.
- 1665 Jean Talon.
- 1168 Claude de Boutroue.
- 1670 Jean Talon.
- 1675 Jacques Duchesneau.
- 1682 Jacques de Meulles.
- 1686 Jean Bochart Champigny.
- 1702 Francois de Beauharnois.
- 1705 Jacques Raudot.
- 1705 Antoine Denis Raudot.
- 1712 Michel Begon.
- 1726 Claude Thomas Dupuy.
- 1728 Gilles Hocquart.
- 1748 Francois Bigot.

The power possessed by these officials was very great, and its abuse was one of the chief causes of the corruption which eventually under Bigot permeated the whole body politic, and so fatally weakened the hands of Montcalm. Talon, how-

ever, was an exception and a man of great ability and wise action. Besides its other functions the Council was a sort of Supreme Court for the Colony, with inferior courts at Quebec, Three Rivers, and Montreal. It thus combined the executive, administrative, judicial, and ecclesiastical powers in the hands of a body of men who moved individually in the same circle and were guided by very similar personal feelings and policy. Little wonder, therefore, that abuses became rampant.

**The More Important Provisions in the Treaties** made by France and England during their prolonged contest in America and wars in Europe—so far as they affected Canada—are as follows :

1629. Treaty of Susa.

Article II. provides that no restitution should be made of anything taken during the war. Article III. provides that anything taken within two months after the signing of the treaty should be restored.

1632. Treaty of St. Germain-en-Laye.

By Article III. Great Britain agreed to render and restore to France "all the places occupied in New France, Acadia, and Canada by subjects of His Britannic Majesty, who should be made to retire from said places."

1655. Treaty of Westminster.

By Article XXV. the claim of France to Pentaquet, St. John, Port Royal, and LaHève in Acadia was referred to a proposed Commission. Under this article Commissioners were appointed, at the instance of France, but nothing was effected.

1667. Treaty of Breda.

By Article X. Great Britain agreed to restore Acadia to France. By Article XI. inhabitants of Acadia not wishing to remain under the dominion of Great Britain were allowed a year to depart and dispose of their lands, slaves and goods.

1697. Treaty of Ryswick.

Article VII. provides for the restoration by both of all lands held by the other before the declaration of war. Article VIII. provides for the appointment of Commissioners on both sides to examine and determine the rights and pretensions of both countries to the places situated in Hudson's Bay, but the possession of those places which were taken by the French during the peace

that preceded the war and were retaken by the English during the war, is left to the French by virtue of Article VII.

1713. Treaty of Utrecht.

Article X. provides that France should restore to Great Britain the Bay and Straits of Hudson with all lands, seas, sea coasts, and rivers situated on the said Bay and Straits. Article XI. provides that France should compensate the Hudson's Bay Company. Article XII. yielded Nova Scotia, or Acadia, with its ancient boundary and Port Royal, or Annapolis, to Great Britain, "so that French subjects should thereafter be excluded from all kinds of fishing."

Article XIII. provides as follows: "The island called Newfoundland with the adjacent islands shall from this time forward belong of right wholly to Great Britain, and to that end the town and fortress of Placentia, and whatever other places in the said island are in the possession of the French, shall be yielded and given up . . . to those who have a commission from the Queen of Great Britain for that purpose. Nor shall the Most Christian King, his heirs and successors, or any of their subjects, at any time, hereafter lay claim to any right to the said island and islands, or to any part of it or them. Moreover, it shall not be lawful for the subjects of France to fortify any place in the said Island of Newfoundland or to erect any buildings there, besides stages made of boards, and huts necessary and useful for drying fish; or to resort to the said island beyond the time necessary for fishing and drying of fish. But it shall be allowed to the subjects of France to catch fish, and to dry them on land, in that part only, and in no other besides that, of the said Island of Newfoundland which stretches from the place called Cape Bonavista to the northern point of the said island, and from thence, running down by the western side, reaches as far as the place called Point Riche."

Article XIII. also provides that "the island called Cape Breton as also all others both in the mouth of the river St. Lawrence and in the Gulf of the same name, shall hereafter belong of right to the French with liberty of fortifying." Article XIV. provides that French becoming British subjects should "enjoy the free exercise of their reli-

gion according to the usage of the Church of Rome, as far as the laws of Great Britain do allow the same."

1748. Treaty of Aix-la-Chapelle.

Article IX. provides that "Isle Royal, called Cape Breton, shall be restored by Great Britain to France."

1763. Treaty of Paris—between Great Britain, France and Spain.

Article IV. renounces all pretensions of France to Nova Scotia or Acadia. Article IV. also provides as follows: "His Most Christian Majesty cedes and guarantees to His Britannic Majesty in full right Canada with all its dependencies, as well as the island of Cape Breton and all the other islands and coasts in the Gulf and River St. Lawrence, and in general everything that depends on the said countries. His Britannic Majesty on his side agrees to grant the liberty of the Catholic religion to the inhabitants of Canada; he will consequently give the most precise and effectual orders that his new Roman Catholic subjects may profess the worship of their religion, according to the rules of the Romish Church, as far as the laws of Great Britain permit."

Article V. provides that "The subjects of France shall have the liberty of fishing and drying on a part of the coasts of the island of Newfoundland such as it is specified in the XIIIth Article of the Treaty of Utrecht, which article is renewed and confirmed by the present Treaty (except what relates to the Island of Cape Breton as well as to the other islands and coasts in the mouth and in the Gulf of St. Lawrence) and His Britannic Majesty consents to leave to the subjects of the Most Christian King the liberty of fishing in the Gulf of St. Lawrence on condition that the subjects of France do not exercise the said fishery but at the distance of three leagues from all the coasts belonging to Great Britain as well as those of the continent and those of the island situated in the said Gulf of St. Lawrence. And as to what relates to the fishery on the coasts of the Island of Cape Breton out of the said Gulf, the subjects of the Most Christian King shall not be permitted to exercise the said fishery but at the distance of fifteen leagues from the coasts of the Island of Cape Breton, and the fishery on the coasts of Nova Scotia or Acadia and everywhere else out

of the said Gulf shall remain on the footing of former treaties."

Article VI. provides that the King of Great Britain cedes the "Islands of St. Pierre and Miquelon in full right to His Most Christian Majesty, to serve as a shelter to the French fishermen; and his said Most Christian Majesty engages not to fortify the said islands; to erect no buildings on them, but merely for the convenience of the fishery; and to keep upon them a guard of fifty men only for the police."

Article VII. "In order to establish peace on solid and durable foundations, and to remove forever all subjects of dispute with regard to the limits of the British and French Territories on the Continent of America, it is agreed that for the future the confines between the dominions of His Britannic Majesty in that part of the world shall be fixed irrevocably by a line drawn along the middle of the River Mississippi, from its source to the River Iberville, and from thence by a line drawn along the middle of the river, and the Lakes Mauropas and Port Chartram, to the sea; and for this purpose the Most Christian King cedes in full right and guarantees to His Britannic Majesty the river and port of the Mobile, and everything which he possesses or ought to possess, on the left side of the River Mississippi, except the town of New Orleans and the island on which it is situated, which shall remain to France; provided that the navigation of the River Mississippi shall be equally free, as well to the subjects of Great Britain as those of France, in its whole breadth and length, from its source to the sea, and expressly that part which is between the said Island of New Orleans and the right bank of that river, as well as the passage both in and out of its mouth. It is further stipulated that the vessels belonging to the subjects of either nation shall not be stopped, visited, or subjected to the payment of any duty whatsoever. The stipulation inserted in the IVth article in favour of the inhabitants of Canada, shall also take place with regard to the inhabitants of the countries ceded by this article."

Article XIX. Great Britain restores to Spain its conquests in Cuba. Article XX. Spain cedes and guarantees to Great Britain "Florida with Fort St. Augustin and the Bay of Pensacola as

well as all that Spain possesses on the Continent of North America to the east or to the south-east of the River Mississippi."

**The Romance of Early Canadian History** was by no means confined to the adventures of the explorers and pioneers who have made their names famous. The trials and perils of the first settlers, no matter how humble their origin or insignificant their position, were as remarkable as those of the leaders and military commanders. The multitudinous incidents of storm and struggle connected with the fur trade and its extension through the wild forests of the north and west were more romantic perhaps than any similar page in history. So with the adventurous lives of the young French aristocrats and scions of noble families who poured into New France at different times, in the trains of Governors and Generals, or upon missions of individual and reckless enterprise.

At first there were few settlers of aristocratic origin, and Talon in 1665 found only the families of Tilly, Repentigny, La Rotherie, and d'Ailleboust. But with the coming of the Carignan Regiment and the ensuing Seigneurial grants, there followed an infusion of this element into the population, and Chambly, St. Ours, Contrecoeur, Varennes, illustrate to-day the names of noble French families of two centuries ago. Others which furnished members for pioneer work or adventure in the New World were such families as De Vaudreuil, De Beaujeu, d'Orsonnens, De Lanaudière, De Fresnoy, and De Lotbinière. Some individual rovers were gentlemen adventurers like the Marquess de la Sablonière, who accompanied La Salle in his explorations; the Marquess de Crisai and his brother, who were distinguished for their knightly virtues and chivalrous bearing; St. Luc de la Corne, a wild and unscrupulous adventurer; Gilles Le Roy, who refused to serve as a private soldier because he was of noble birth; D'Estrades, a connection of the famous Marshal, who was recommended for promotion from the ranks by De la Gallionnière in 1748; Sieur d'Orceval, who had got into trouble at home and was permanently exiled to the Colony. Others of higher type and performance were Boucher, Governor of Three Rivers,

and founder of the De Boucherville family and Seigneurie; Pichereau Duchesnay, Sieur de St. Denis, who distinguished himself during Phipp's siege of Quebec in 1690; Aubert de Gaspés, who was ennobled for his Canadian services by Louis XIV.; Jacques Testard, Sieur de Montigny, who possessed the scars of forty wounds and thirty-five years of service; Hertel, Sieur de la Frenière and his ten equally gallant sons; Charles Le Moyne, Baron de Longueuil and his twelve heroic sons, of whom three were killed in battle, four became Governors of towns or Provinces, and all were famed for skill and courage.

Such were the men who, whether settled along the shores of the St. Lawrence, plunging after furs into the primeval forests of a new continent, fighting Indians around the great lakes and from the Arctic Sea to the Spanish main, exploring the great regions of the Mississippi and the far west, or founding Detroit, St. Louis and New Orleans, were always distinguished for bravery and adventurous spirit. Others there were such as Saint Castin, Du Luth, La Durantaye, La Motte-Cardillac, and La Verandrye, who stand out conspicuously upon the pages of history. If, therefore, the French *regime* was in its later days notable for corruption in government and public life, it must also be always memorable for the dashing, aristocratic spirits who were thus given the greater part of a continent to roam through and possess—or attempt to possess—for their Crown and country.

**The French rulers and Governors-General of Canada, or New France, were as follows:**

- 1534. Jacques Cartier, Captain-General.
- 1540. Jean Francois de la Roque, Sieur de Roberval.
- 1598. Marquess de la Roche.
- 1600. Capitaine de Chauvin (Acting).
- 1603. Commander de Chastes.
- 1607. Pierre du Guast de Monts, Lieutenant-General.
- 1612. Samuel de Champlain, Lieutenant-General.
- 1633. Samuel de Champlain, first Governor-General.
- 1635. Marc Antoine de Bras de fer Chateaufort (Administrator).

- 1636. Chevalier de Montmagny.
- 1648. Chevalier d'Ailleboust de Coulonge.
- 1651. Jean de Lauzon.
- 1656. Charles de Lauzon-Charny (Administrator).
- 1657. D'Ailleboust de Coulonge (Administrator).
- 1657. Viscomte de Voyer d'Argenson.
- 1661. Baron Dubois d'Avaugour.
- 1663. Chevalier de Saffray de Mézy.
- 1665. Marquess de Tracy.
- 1665. Chevalier de Courcelles.
- 1672. Comte de Pallau et de Frontenac.
- 1682. Sieur de la Barre.
- 1685. Marquess de Denonville.
- 1689. Comte de Frontenac.
- 1699. Chevalier de Callières.
- 1703. Philippe, Marquess de Vaudreuil.
- 1714-16. Comte de Ramezay (Acting).
- 1716. Marquess de Vaudreuil.
- 1725. Baron (1st) de Longueuil (Acting).
- 1726. Marquess de Beauharnois.
- 1747. Comte de la Galissonnière.
- 1749. Marquess de la Jonquière.
- 1752. Baron (2nd) de Longueuil.
- 1752. Marquess Duquesne-de-Menneville.
- 1755. Marquess de Vaudreuil-Cavagnal.

**The following sketches describe the salient points in the lives of the leading men during this momentous period in Canadian and continental history:**

1. The career of Sir William Phipps, Governor of Massachusetts and other Colonies, was one of romantic interest aside from the sometimes disputed statement that he was the founder of the family now represented by the Marquess of Normanby. He was born at Pemaquid, in what was then the wilderness of Maine, on February 2nd, 1651—his father being a gunsmith and pioneer, with twenty-one sons. At an early age he went to sea and ultimately won a fortune through the discovery of a Spanish wreck on the coast of Hispaniola containing £300,000 in plate and jewels, which he divided up with his seamen. King James knighted him shortly afterwards and in 1692 he became Governor of Massachusetts. Meantime he had led British expeditions against

Acadia and commanded one in 1690 intended for the capture of Quebec. His administration of the Government was also notable for the stoppage of persecutions for witchcraft and the building of a fort at Pemaquid which subsequently became historically important. He died in 1695.

2. Louis de Buade, Comte de Frontenac, perhaps the greatest of the Governors-General of New France, was born in 1620, and early in 1635 entered the army. He served in various battles and sieges, and at twenty-three was a Colonel of Horse. In 1669 Marshall Turenne sent him to conduct a campaign against the Turks in Candia (Crete), and in 1672 he was appointed to his high post in New France. Here he tried to conciliate the Indians, to reform the system of government, to modify priestly influence, and to encourage exploration. His quarrels with the clergy caused his recall in 1682, but in 1689 he was once more sent back—this time to save the colony from threatened and utter ruin at the hands of the Iroquois and English. Of the result Parkman says: "He found it in humiliation and terror, and he left it in honour—almost in triumph." In 1696 the King of France sent him the Order of St. Louis, and two years later he died amid the universal sorrow of New France.

3. Sir William Pepperell, Bart., was born in 1696 at Kittery, Mass., and in 1729 was elected a member of the Provincial Council—a seat which he held by annual election until his death. He also became the Colonel of a Provincial regiment of militia, and the leading popular personage in the surrounding colonies. For his achievement in capturing Louisbourg he was created a Baronet. He visited England in 1759, and was received by the King with distinction, and appointed a Lieutenant-General. Shortly afterwards he died. His son, Sir William Pepperell, second Baronet, was a highly respected Loyalist, and for a time member of the Council of Massachusetts. After the Revolution he had to retire to England, and there became President of the Loyalist Association, and one of the founders of the British and Foreign Bible Society. Born in 1746 he died in 1816, and the title became extinct.

4. Major-General Sir William Johnson, Bart., who holds such an historic position in connection

with the Iroquois and the French wars, was born in County Meath, Ireland, in 1715, and at an early age migrated to New York. There he purchased large tracts of land upon the Mohawk river and devoted himself to studying the language, manners, and customs of the Indians, and to cultivating the trade in furs. In 1755 he was placed in command of the Provincial militia and a little later was appointed by the King, Superintendent of Indian Affairs. He was also created a baronet and took part in various campaigns which marked the fluctuating struggle between France and England. In 1774 he died at his handsome seat on the Mohawk river without the deep grief which a clear knowledge of the coming rebellion would have brought him. His vast estates were afterwards confiscated through the adhesion of his son to the Royal cause. It was in great part the influence of Sir William which prepared the Iroquois to side with the British and thus numbered them ultimately amongst the loyalist refugees and settlers in Canada.

5. Major-General James Wolfe was born at Westerham, Kent, on January 2, 1726, and obtained his commission at the age of fifteen. He served in Flanders, was present at the battle of Dettingen, and fought as a Brigade Major in Scotland at Falkirk and Culloden. In 1747 he distinguished himself at the battle of Laffeldt and was publicly thanked by the Commander-in-Chief. He accompanied the expedition against Rochefort in 1757 as Quartermaster-General, but could make no headway against the incapacity of his commander. A little later he was selected by Pitt as one of the Brigadier-Generals in command of the Louisbourg expedition, and in 1759 was appointed to lead the memorable force against Quebec. After his death on the 13th of September his body was embalmed, taken to England, and buried in the family vault of the parish church in Greenwich amidst every honour which a grateful people could bestow. On the motion of Pitt a monument was erected to his memory in Westminster Abbey, and in after years similar memorials were erected in the distant city where he had died for his country.

6. Louis Joseph de Saint-Véran, Marquess de Montcalm was born near Mimes on February



28th, 1712, and entered the French army at the age of fourteen. He served in Italy in 1734, under Belle Isle in Germany during the war of the Austrian Succession, and at a later date earned the rank of Colonel at the battle of Piacenza in Italy. In 1756 he was appointed as a Brigadier-General to command the forces in New France. There he distinguished himself as a strategist and general at Oswego, Fort William Henry, and Ticonderogo; as a Governor in his treatment of the people and his resistance to corrupt officials; as a Frenchman in his determined and brilliant



Jeffrey, Lord Amherst.

opposition to English expansion and English conquest. He died on September 14th, 1759, from a mortal wound received during the previous day in gallantly resisting the British upon the Heights of Abraham. In Quebec there now stands a lofty memorial in joint honour of the victor and the vanquished.

7. Jeffrey Lord Amherst was born in Kent County, England, on January 29th, 1717, and entered the army in 1731. He was aide-de-camp to General Ligonier at the battles of

Dettingen, Fontenoy, and Rocoux, and to H.R.H. the Duke of Cumberland at the battle of Laffeldt. In 1758 he was appointed a Major-General, with command of the troops before Louisbourg in Cape Breton, and after the capture of that fortress succeeded Abercrombie in command of the forces in North America. In the spring of 1759 he led the expedition against Ticonderogo, while Wolfe was winning death and glory before Quebec. On the 8th of September, 1760, he received the capitulation of Montreal. In 1771 he was appointed Governor of Guernsey; in 1776 was made Baron Amherst of Holmsdale, and afterwards of Montreal; and in 1778 was appointed Commander-in-Chief of the British Army. He held this position until 1782, and again from 1793 to 1795. He died in 1797, shortly after receiving the baton of a Field Marshal.

8. Marshal Le Duc de Lévis was born in 1720, and early adopted the profession of arms. At the battle of Carignan he commanded the right division. When the French repulsed Wolfe in his attack at Montmorenci, De Lévis was in command of one of the divisions. He was at Montreal when the first struggle took place upon the Plains of Abraham, but at the second one he commanded, and the victory of Ste. Foy almost wrested Quebec from the English. In the subsequent defence of Montreal he was in favour of holding out to the last, but De Vaudreuil, the Governor-General, wisely intervened, and the capitulation took place. After his return to France he again sought active service, and took part in the battle of Johannisbourg, where the Prince of Condé won a signal victory. In 1783 he was created a Marshal of France, and in the succeeding year a Duke and Peer of the realm. He died in 1787.

9. Admiral Sir Charles Saunders, K.B., will live in Canadian history as the naval commander and able coadjutor of Wolfe during the siege of Quebec. He early entered the navy, and steadily struggled upwards, winning reputation as one of the most gallant of Lord Anson's officers. His achievements in 1747 while commanding *The Yarmouth* were specially noteworthy. Pitt was no doubt influenced by his name for skill and courage



when appointing him in 1758 to the command of the brilliant fleet intended for the capture of Quebec. There Admiral Saunders showed himself the right man in the right place, and in the following year was rewarded by the King with appointment as Lieutenant-General of Marines. In 1765 he became a Lord of the Admiralty, and in the succeeding year First Lord of the Admiralty. For some time he sat in Parliament. He died in 1775.

10. Field Marshal the Marquess Townshend was born in 1724, and had King George the First as a godfather. He was very young when he entered the army, and fought at Dettingen, Fontenoy, Culloden, and Laffeldt. In Wolfe's expedition against Quebec, he was selected to command a brigade, and for a brief interval, between the death of the leader and the handing of the command over to General Murray, Lord Townshend supervised the military operations. In 1767 he became Lord Lieutenant of Ireland, and ultimately attained the rank of Field Marshal and Privy Councillor. He was also Colonel of the 2nd Regiment of Dragoon Guards, High Steward of Tamworth, Norwich,

and Yarmouth, Governor of Jersey, and Master-General of the Ordnance. He died in 1807.

11. General the Hon. James Murray was a son of the fourth Lord Elibank, and entered the army at an early age. After seeing much service in Europe, he was sent out with Wolfe, and commanded a brigade at the battle of the Plains of Abraham and during the siege of Quebec. On the capture of the fortress, he succeeded Wolfe in command—Moncton being wounded, and the Marquess Townshend about to return home. The defence of the city against De Lévis during the winter, and the drawn battle upon the Plains in the spring between 3,500 British troops and about 12,000 French, was followed by his junction in June, 1760, with Lord Amherst's forces, and the surrender of Montreal. General Murray was Governor-General from this time until 1767, and distinguished himself by efforts to conciliate the French-Canadians. In 1781 he defended Minorca against the French with great gallantry—so much so that the Duc de Crillon offered him a million pounds sterling to surrender. The bribe was refused with the contempt which might have been expected from a British officer. He died in 1794.



St. John's Gate, Quebec.

## ACADIA AND THE ACADIAN PEOPLE

BY

JAMES HANNAY, Editor of the *St. John Telegraph*.

ACADIA is the name which was given by the French to that portion of North America which now comprises Nova Scotia, New Brunswick, and that part of the state of Maine which lies east of the Kennebec River. It was, and to a large extent still is, a land of magnificent forests, beautiful rivers, and innumerable brooks and streams, its shores washed by seas which swarm with fish, and possessing large areas of fertile soil, so that nothing necessary is lacking for the maintenance of its people in comfort. Here the Acadian people have lived for more than two centuries and a-half, and have grown from very small beginnings to be an important factor in the affairs of two important provinces of Canada, while they enjoy that celebrity which attaches to having had sorrows which have been sung by a great poet, and have attracted the notice of the whole civilized world.

Acadia was first brought to the notice of the people of Europe by Champlain, who was with De Monts in an expedition sent to its shores under the patronage of Henry IV. of France in the year 1604. A settlement was founded on a small island in the St. Croix River, which is now a part of the boundary between the United States and Canada, but the place proved unsuitable. A large number of the colonists died during the first winter, and in the spring of 1605, St. Croix Island was abandoned and the colony removed to Port Royal, the name then given to the modern town of Annapolis. There on the northern side of the Annapolis River, at its junction with the Basin, a small fort was erected and the beginning of a settlement made. Some attempt was made to cultivate the soil, and the colony might have been established on a satisfactory footing but for the jealousy of the English who about the same time founded a colony in Virginia,

and sent an armed force under Captain Samuel Argall to break up the French settlements in Acadia. Argall destroyed the Port Royal establishment in 1613, and for several years after this event there were no French settlements in Acadia. Indeed it was not until the year 1632, when Isaac de Razilly became commander of Acadia under the Company of New France, that any more French colonists were added to its population. De Razilly brought out some forty families, and De Charnisay, who succeeded him, some twenty more, and these, and sixty other persons, who were brought to Acadia in 1671 by Grand-Fontaine, who was then its Governor, were the ancestors of the Acadian people. Besides these there were two or three Scotch families belonging to a colony settled by Sir William Alexander at Port Royal, who remained in Acadia after that settlement was broken up. The Acadian families of Vincent and Martin are supposed to be descended from these Scottish ancestors. Two other families, bearing the names of Peters and Granger, are also of British origin.

Most of the Acadians, who were settled by De Razilly and De Charnisay, came from Rochelle, Saintonge, and Poitou, so that they were drawn from a limited area on the West coast of France now covered by the modern departments of Vendee and Charente Inferieure. When the first census of Acadia was taken in 1671 it contained but 441 inhabitants, most of whom were living at Port Royal. These people had originally been settled at La Hève but had been removed by De Charnisay to Port Royal some thirty years before. Port Royal then became, and continued to be for a hundred years, the principal settlement in Acadia, but at the time of the deportation of the Acadians in 1755, the settlements at Minas and Chignecto had become the most populous.

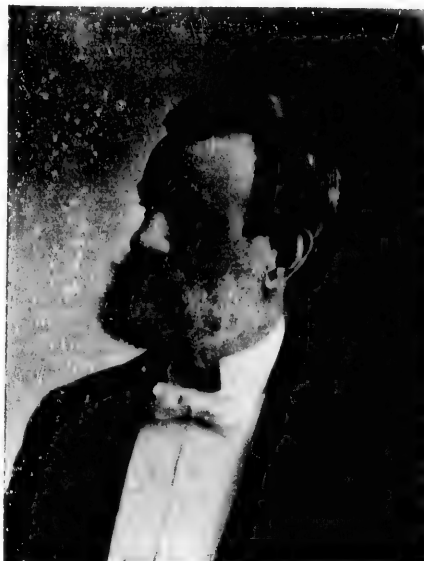
The original Acadian names contained in the census of 1671 were fifty in number and were as follows:—Aucoin, Babin, Belliveau, Baiols, Belou, Bertrand, Blanchard, Boudrot, Bourc, Bourgeois, Breau, Brun, Commeaux, Cormie, Corporan, Daigle, Doucet, Dugast, De Foret, Gaudet, Gaucherot, Girouard, Gougeon, Grange, Guillebaut, Hebert, Kuessy, Labathe, Lalloue, Lanaux, Landry, Leblanc, Martin, Melanson, Mius, Morin, Pelerin, Petipas, Poulet, Poirie, Pitre, Richard, Rimbaut, Robichaut, Scavoie, Sire, Terriau, Thibeadeau, Trahan, and Vincent. All of these names are to be found among the French of New Brunswick and Nova Scotia at the present day. The people who bear these names may be regarded as the representatives of the ancient Acadians, having the same relation to the other Acadian families that the descendants of the Mayflower Pilgrims bear to the other people of New England.

The second census of Acadia was taken in 1686 and it gives us nearly fifty names which were not found in the census taken fifteen years before. These names were Arsenault, Barilost, Basterache, Benoit, Brossard, Blon, Leblanc, Leborgne, Brien, Colson, Como, Cochin, Cottard, Douaron, Dugas, Fardel, Gerault, Guillaume, Goho, Godet, Godin, Gourdeaux, Henry, LaVoye, Lort, Leuron, Labarre, Laval, Lagasse, Laboue, LaRoche, Labal, Lejeune, Leprince, Leperriere, Margery, Mirande, Mignault, Mercier, Michel, Peltiet, Prijeau, Pinet, Provost, Rivet, Toan, Tourangeau, and Vesin. Most of these names are still to be found in Acadia, although some of them have disappeared. The new names are evidently those of the settlers who were brought out by Grand-Fontaine, only five of whom were women. The surnames in Acadia continued to increase in number down to the time of the English occupation of the country, in 1710, and by a census taken in 1714 it appears that there were one hundred and twenty names of families residing at Port Royal and Minas, which did not exist in Acadia prior to 1686. The origin of these names may be accounted for by the fact that many disbanded soldiers of the French garrison married and settled in Acadia and became the founders of new families. These people were grafted upon the original stock, yet they probably did not affect

it to any material extent, for with the exception of five women who were brought out by Grand-Fontaine, no females appear to have come to Acadia from France after the original immigration prior to 1628. This fact has made the Acadian people homogeneous to a greater degree than almost any other race that can be named. Coming, as they did, from a single limited area of France, the unity of race was not affected by the addition of the few individuals who married among them and whose descendants could not be distinguished from the rest of the Acadian people.

Most of the original settlers of Acadia appear to have been farmers and they found on this side of the Atlantic conditions similar to those to which they had been accustomed when they lived in France. They came from a country of marshes, where the sea was kept out by artificial dikes, and they found in Acadia similar marshes, which they dealt with in the same way that they had learned to practise in France. The Acadians, during the long period in which they had the whole country to themselves, made hardly any impression upon its forests. Governor Phillips, writing to the Lords of Trade in 1734, states that, in almost a century, they had not cleared more than three hundred acres of forest land. They were guided in their places of new settlement by the presence or absence of marsh land, and the existence of immense areas of such lands at Minas and Chignecto was the reason why the settlements at those places grew so rapidly in wealth and importance. Diereville, who visited Acadia in 1699 and wrote a book in which he gives a description of the place, tells his readers that the Acadians stopped the current of the sea by erecting large dikes which they called "aboteaux." He says, "They plant five or six rows of trees, all entire, in the places where the sea enters into the marshes; and between each row they lay down other trees lengthwise, on top of each other, and fill up the vacant spaces so well with clay, well trodden down, that the tide cannot pass through it. In the middle of these works they adjust a flood gate, in such manner that it allows the water of the marsh to flow out at low tide without permitting the sea water to pass in. A work of this nature, which can be

carried on only at certain times when the tides do not rise too high, is very expensive, and demands much labour; but the abundant harvests they obtain after the second year, when the water from Heaven has washed these lands, compensates them well for the outlay. As these marshes are owned by many persons they work at them in concert." This ancient plan of excluding the sea water from the marshes is still practised in Acadia by the men of another race who occupy the lands which were once owned by this unfortunate people.



James Hannay.

It has been already stated that in 1671 the total number of persons in Acadia was only 441. Of these, however, 40 were soldiers or fishermen, so that the actual number of settlers was 401, comprising 74 families, of which 68, numbering 363 souls, were at Port Royal. In 1686 the population of Acadia had more than doubled. Port Royal then contained 95 families, numbering 592 persons. Chignecto, which had been settled in the meantime, contained 17 families, numbering 127 persons; and at Minas there were 10 families

and 57 persons. The settlement at Minas, like that of Chignecto, had been founded after the census of 1671 was taken. When these two settlements were fairly established they increased very rapidly, drawing off a considerable number of the inhabitants from Port Royal. This was more particularly the case after the English took possession of the country. In 1693 the population of Acadia was 1,009, of whom 500 persons, divided into 88 families, resided at Port Royal. In 1701 the population of Port Royal had fallen to 456 persons, but that of Minas had increased to 490, while Chignecto had 188 inhabitants. In 1703 Port Royal had a population of 485 and Chignecto 445; while Minas, including Cobequid, which name appears in the census for the first time, had 514 inhabitants. In 1714 a census of Port Royal and Minas was taken by Felix Pain, a missionary priest. At that time Port Royal contained 895 French inhabitants, while Minas with its outlying settlements had 878. We have no census of Chignecto for the same date, but making due allowance for the natural increase over the figures of 1703, we may assume it to have had 300 inhabitants, so that the total population of Acadia at that period did not exceed 2,200 persons. The date of this census, it will be observed, is four years after the English became possessed of Acadia by the capture of Port Royal. It shows very clearly also that the Acadians, under French rule, were a very small people in point of numbers, and that the results of more than eighty years of French colonization in Acadia were very slight. Indeed it was not until the English took possession that the French inhabitants became numerous enough to be important in a political sense.

The Acadians were all farmers; the only other trades which were represented in the community being those arising out of the necessities of an agricultural life. They were large producers of grain and cattle, and they found a market for their products at the garrisons which were kept in the country by the French king. The first census of Port Royal, taken in 1671, shows that the 363 persons who then resided there possessed 829 horned cattle and 399 sheep, and had harvested that year 4,300 bushels of grain. These figures show that the Acadians, even at that early day,

were, in a material sense, well off, because they must have produced a very large surplus of food. Twenty-two years later, in 1693, when the three principal settlements in Acadia, Port Royal, Minas, and Chignecto had 916 inhabitants, they were the owners of 1,648 horned cattle, 1,910 sheep, and 1,164 swine. The Acadians continued to increase their wealth in live stock down to the time of their deportation in 1755, and many of them had also accumulated considerable sums in specie by the sale of their cattle to the garrisons of Annapolis and Louisbourg. The mode of life of the Acadians was simple, as was to be expected in a people who themselves produced nearly every article which they required for their own use, and who were brought but little in contact with the outer world. They were almost wholly without education, even the deputies whom they elected to represent them before the English Governors of Nova Scotia being, in general, unable to write their own names. The Acadians were obedient to their priests, and regular in the exercise of their religious duties, but there is no reason to believe that they were superior in character or virtue to the people of other rural communities whose lives were passed under similar conditions.

The picture of the lives of the Acadians given by the Abbe Raynal has been accepted, by those who knew no better, as an accurate view of this people, but it is almost wholly fictitious. He represents them as a people without quarrels, without litigation, without poverty, "where every misfortune was relieved before it could be felt, without ostentation on the one hand, and without meanness on the other." Whatever little differences arose among them from time to time, he says, were amicably adjusted by their elders. "They were," says Raynal, "a society of brethren, every individual of which was equally ready to give and to receive what he thought the common right of mankind." After this the reader will be surprised to learn that the Acadians, according to the united testimony of all the Governors of the country, French and English, were a very litigious people, and were constantly at law with each other about the boundaries of their lands. So keen were they in these disputes that they frequently carried their appeals to Quebec.

which was then harder to reach than Australia is at the present time.

In the year 1710, Port Royal, which was then the only French fortress in Acadia, was captured by the English, and the authority of the French in the country which they had discovered and colonized passed away for ever. By the terms of the capitulation it was agreed that "The inhabitants within cannon shot of Port Royal shall remain upon their estates, with their corn, cattle, and furniture during two years, in case they are not desirous to go before, they taking the oaths of allegiance and fidelity to her sacred Majesty of Great Britain." This distance, "within cannon shot of Port Royal," was interpreted to mean within three English miles, and it was ascertained that the number of persons residing on the area thus defined was 481. By the Treaty of Utrecht, which was made in 1713, France ceded all Acadia to Great Britain, and, by the fourteenth article of that treaty, it was agreed "that the subjects of the King of France may have liberty to remove themselves within a year to any other place, with all their movable effects. But those who are willing to remain, and to be subject to the King of Great Britain, are to enjoy the free exercise of their religion, according to the usages of the Church of Rome, as far as the laws of Great Britain do allow the same." On the 23rd of June, 1713, nearly three months after the Treaty of Utrecht was signed, Queen Anne wrote to Nicholson, the Governor of Nova Scotia, as follows: "Whereas our good brother, the most Christian King, hath, at our desire, released from imprisonment on board his galleys such of his subjects as were detained there on account of their professing the Protestant religion: We being willing to show some mark of our favour towards his subjects and how kind we take his compliance therein, have therefore thought fit hereby to signify our will and pleasure to you, that you permit such of them as have any lands or tenements in the places under your government in Acadia and Newfoundland, that have been or are to be yielded to us by virtue of the late Treaty of Peace, and are willing to continue our subjects, to retain and enjoy their said lands and tenements without any molestation, as fully and freely as other of our subjects do or may possess their lands or

estates, or to sell the same if they shall rather choose to remove elsewhere."

The terms of the Treaty of Utrecht and of the Queen's letter show that the French inhabitants of Acadia were to be permitted to remain in the country, and to continue in possession of their lands and other property on becoming British subjects. No government could have made a conquered people a more generous offer, and if it had been accepted in the spirit in which it was made, there never would have been any difficulty between the British Crown and the Acadian people. There seems to be no reason to doubt that if the Acadians had been left to themselves and had followed their own inclination they would have complied with the terms of the Queen's letter. But the French authorities at Quebec did not desire them to become British subjects. They then had in view the construction of a great fortress on the island of Cape Breton and they got the Acadians to consent to remove to that island. Accordingly, when the contents of the Queen's letter were made known to them, they expressed their intention of remaining subjects of the King of France and of removing to Cape Breton so that they might continue under the French flag. This intention, however, was never carried out. A few Acadians, indeed, removed to Cape Breton but they soon became dissatisfied with their condition there. Instead of the fertile, diked marshes of Acadia they were required to settle on tracts of forest land which had to be cleared, and which involved much labour and delay. Most of those who went to Cape Breton returned to Acadia, but the vast majority of the Acadians never made any pretense of removing, but continued to live on their own lands, as they had done when the French were masters of the country.

But while they continued in this way to enjoy all the privileges of British subjects and to occupy the finest farms on the continent of America they refused to take an unconditional oath of allegiance to the British Crown. They claimed the right to remain "neutrals," as they termed it, and pretended that they feared the Indians and would require to be protected from them if they complied with the demand that was made upon them that they should take the oath of allegiance.

This of course was only a pretext, for the Indians had no political views of their own and would have been quite willing to remain at peace with the English if they had not been stirred up to make war by the French Governor at Quebec. The Acadians had intermarried to some extent with the Indians and if the Indians ever menaced them, which is doubtful, they did so under the orders of the Governor. All the French priests who ministered to the spiritual wants of the Acadians were under the control of the Quebec authorities, and through them the Acadians were kept faithful to France, and ready to take part against the monarch under whose flag they lived whenever there was war between the two Crowns. They were also constantly in communication with the French officer who commanded the fortress of Louisbourg, and acted under his advice. These facts have been many times demonstrated by reference to the official despatches of the French government, obtained from the Archives of Paris and other sources. These disclosures have materially altered the former estimate of the character of the Acadians, and also of the necessity for the extreme measure which was resorted to when they were removed from Nova Scotia in 1755.

Many attempts were made by the English authorities in Nova Scotia to induce the Acadians to take the oath of allegiance and become British subjects in the fullest sense of the term. The first of these was in 1715, when Messrs. Capoon and Button were commissioned by Governor Nicholson to proceed in the sloop-of-war *Caulfield* to Minas, Chignecto, River St. John, Passamaquoddy, and Penobscot to proclaim King George and to tender and administer the oaths of allegiance to the French inhabitants. The French refused to take the oaths, and some of the people of Minas said that they intended to withdraw from the country, but these people a year later notified Lieut.-Governor Caulfield that they intended to remain. Caulfield summoned the inhabitants of Annapolis and tendered them the oath of allegiance, but they also refused to take it. In 1717, Doucette, who had succeeded Caulfield, summoned the people of Annapolis to sign a declaration acknowledging the King of Great Britain the sole King of Acadia, and promising

to obey him as his true and lawful subjects. The French of Annapolis sent in a written answer to this request refusing to take the oaths unless the King provided them with some means of shelter from the savage tribes.

In 1720, when Governor Phillips arrived, he tendered the oaths to the inhabitants of Annapolis and other parts of Acadia, but met with no better success than his predecessor. Indeed the Acadians had become so bold by this time, owing to the weakness displayed by the English authorities, that they treated the demands of the latter with contempt. On the third day after Governor Phillips arrived at Annapolis, he was visited by Father Justinian Durand, the priest of the settlement, who was attended by one hundred and fifty young men. The object of this demonstration was evidently to impress the Governor with the force he could command. Yet on being asked to take the oaths these people refused, alleging their fear of the Indians, and stating that in Governor Nicholson's time they had bound themselves to remain subjects of France and to retire to Cape Breton. A proclamation which the Governor sent to the various settlements, demanding that the inhabitants should take the oaths, only brought forth another refusal. In the meantime the Acadians sent Father Durand to Louisbourg with a letter, asking the assistance of M. St. Ovide de Broullan, the Governor of that place. In this communication they say: "We have up to the present time preserved the purest sentiments of fidelity to our invincible monarch. The time has come when we need his Royal protection and assistance." It is well for the reader to bear in mind that this letter was written ten years after Acadia had passed into the hands of the English and seven years after it had been ceded by France to England under the terms of the Treaty of Utrecht. At that time and always, until they were finally expelled from the country, the Acadians looked upon themselves as subjects of the King of France.

In 1726 Lieut.-Governor Armstrong succeeded in inducing the inhabitants on the Annapolis River to take a qualified oath of allegiance with a clause not requiring them to take up arms. The inhabitants of Minas and Chignecto, however, refused to take this qualified oath, and sent back an insolent

answer to the effect that they would take no oath but to, "our good King of France." When the death of George I., in 1727, rendered it necessary to require the inhabitants of Annapolis to take the oath of allegiance again they refused the oath which they had accepted the previous year, a fact which shows that they were largely guided in their conduct by secret influences. This was still further exemplified by their action in 1730, after Governor Phillips returned to the province. Then all the French inhabitants of Acadia took the oath of allegiance without any qualification as to not bearing arms. The Acadians afterwards declared that when they did this it was with the understanding that a clause was to be inserted relieving them from bearing arms. If this was the case, it only goes to show that, twenty years after Acadia had become a British province, the French inhabitants still refused to regard themselves as British subjects.

Thirteen years of peace followed the year 1730, and during that period no difficulties in respect to the Acadians arose, but in June, 1743, the British and French crossed swords at the battle of Dettingen and in the following March, France and England mutually declared war against each other. A few months later an attempt was made to capture Annapolis by a French force from Louisbourg under DuVivier, but it failed. At that time the French inhabitants showed no disposition to assist their countrymen from Louisbourg, except under compulsion, and if they had continued in that frame of mind they would have escaped all their subsequent misfortunes. Louisbourg was captured by a force from New England in 1745 and the formidable fortress which had become a menace to all the British colonies in America ceased to be an object of anxiety. It would have been well if the British had resolved to retain it, but, unfortunately, it was restored to France in 1748 under the terms of the Treaty of Aix-la-Chapelle, and thus the French were encouraged to indulge in further hopes for the possession of Acadia.

When the Treaty of Utrecht had been signed there was no question as to the boundaries of Acadia. The French had always claimed that their territory extended to the Kennebec River and that Acadia included all the territory east of



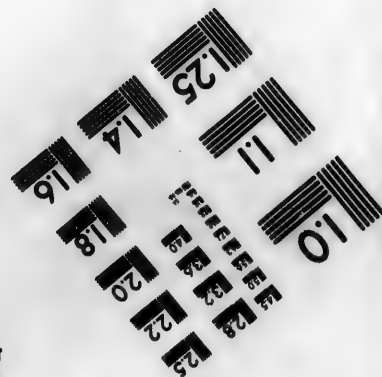
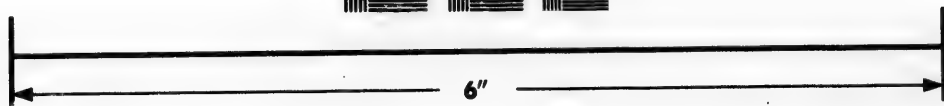
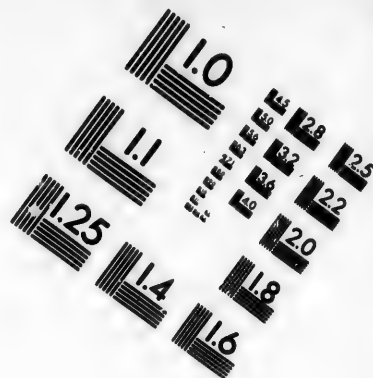
that boundary. A few years after the Treaty was signed Governor de Vaudreuil wrote to the English Lieutenant-Governor at Annapolis claiming the river St. John as French territory. This claim was made in 1718 and subsequently it was declared by the French that Acadia only included a portion of the peninsula of Nova Scotia. It was in accordance with this claim that the erection of Fort Beausejour was commenced by the French in 1750. This fortification was situated on the north side of the Miseguash River which is now the boundary between Nova Scotia and New Brunswick. The inhabitants of Chignecto, who resided south of the Miseguash, were compelled by the French officers at the Isthmus to abandon their habitations and remove to the north side of this river, and as soon as they had evacuated them the houses were burned down by the Indians. The principal agent in this work was a priest named La Loutre who was in constant communication with the French authorities at Quebec. To the malign influence of this man the misfortunes of the Acadian people were mainly due. He compelled them to obey his orders and brought them into conflict with the English authorities in Nova Scotia. While the French held Quebec and all Canada, and also Louisbourg and Beausejour, the fabric of French power in America seemed strong and imposing, and the Acadians therefore had some grounds for believing that the country in which they dwelt might again become a part of the territories of the King of France. The result showed that they made a grave miscalculation as to the outcome of the contest between France and England and they had to suffer the consequences of their error.

In 1755 Governor Lawrence of Nova Scotia resolved that the capture of Beausejour was necessary to the safety of the province in which he held command. About two thousand troops were raised in New England to effect that object and placed under the command of Lieutenant-Colonel Winslow. The general command of the expedition was given to Colonel Monckton who had also with him three hundred regulars of Warburton's regiment and a small train of artil-

lery. Beausejour capitulated on the 16th of June after a siege of a few days and Fort Gaspereau, at Baie Verte, surrendered on being summoned. This completely obliterated the power of the French military authorities in Acadia, and Governor Lawrence thought the time was opportune to compel the Acadians to take their choice between becoming British subjects, by taking an unconditional oath of allegiance, or leaving the country. This alternative was placed before them in the plainest terms and they refused absolutely to take the oath of allegiance, as demanded of them by Governor Lawrence. The full details of this transaction can be found in the twenty-second chapter of the History of Acadia, by the writer of this article.

The expulsion of the Acadians was carried out by troops under the command of Lieutenant-Colonel Winslow at Minas, and by the officers in command at Chignecto and Annapolis. It is not easy to ascertain the precise number of persons who were removed from the province at that time, but the total number seems to have been a little more than 6,000, of whom 2,242 were sent from Minas, 1,100 from Piziquid, 1,664 from Annapolis, and 1,100 from Chignecto. These people were shipped in transports to the British colonies to the south—Pennsylvania, Virginia, Maryland, and Massachusetts. A few were sent to England and some to the West Indies. North and South Carolina and Georgia also received some of these unfortunate exiles. They became a public charge on the colonies to which they were sent, and were naturally encouraged by the authorities of the colonies to go elsewhere. Many of them hired vessels and got back to Acadia, and in one way and another it is supposed that at least two-thirds of those who were exiled succeeded in returning. That the attempt to exile the Acadians was very far from being a success is proved by the fact that when the last census of Canada was taken there were upwards of one hundred thousand persons of French origin in New Brunswick, Nova Scotia, and Prince Edward Island, nearly all of whom were descendants of the ancient Acadians, now loyal and satisfied British subjects.





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**The early English Governors of Acadia** or Nova Scotia—as the English first called the territory included in the Maritime Provinces of Canada, and a part of the State of Maine—were as follows :

- 1710 Colonel Samuel Vetch.
- 1714 General Sir Francis Nicholson.
- 1720-31 Colonel Richard Phillips.
- 1749 Hon. Edward Cornwallis.
- 1752 Colonel Peregrine T. Hopson.
- 1756 Colonel Charles Lawrence.
- 1761 Henry Ellis.
- 1764 Montague Wilmot.
- 1766 Lord William Campbell.
- 1773 Francis Legge.
- 1782 John Parr.
- 1792 John Wentworth.
- 1808 Sir George Prevost.
- 1811 Sir John Coape Sherbrooke.
- 1816 George, Earl of Dalhousie.

The Lieutenant-Governors, who very often governed the Province during this period, in fact, if not in name, were as follows :

- 1722 Captain John Doucett.
- 1725 Lawrence Armstrong.
- 1731 Lawrence Armstrong.
- 1739 John Adams.
- 1740 Major Paul Mascarene.
- 1753 Colonel Charles Lawrence.
- 1760 Jonathan Belcher.
- 1763 Montague Wilmot.
- 1766 Benjamin Green.
- 1766-8 Michael Francklin.
- 1771 Benjamin Green.
- 1772 Michael Francklin.
- 1776 Mariot Arbuthnot.
- 1778 Sir Richard Hughes.
- 1781 Sir Andrew Snape Hammond.
- 1791 Richard Bulkeley.
- 1808 Alexander Croke.
- 1811 Alexander Croke.
- 1814 Major-General Darrock.
- 1816 Major-General George Stracey Smith.

**The letter transmitted by Colonel Lawrence,** Governor of Nova Scotia, to the Governors of the various English Colonies to which the Acadians were expatriated, contains the historic jus-

tification of the strong measures taken. It was as follows :

“ The success which has attended His Majesty's arms in driving the French from the encroachments they had made in this Province, presented me with a favourable opportunity of reducing the French inhabitants of this colony to a proper obedience to His Majesty's government, or forcing them to quit the country. These inhabitants were permitted to remain in quiet possession of their lands upon condition that they would take the oath of allegiance to the King, within one year after the Treaty of Utrecht by which this Province was ceded to Great Britain. With this condition they have ever refused to comply, without having at the same time from the Governor an assurance in writing that they should not be called upon to bear arms in defence of the Province, and with this General Phillips did comply, of which step His Majesty disapproved. The inhabitants pretend therefrom to be in a state of neutrality between His Majesty and his enemies ; and have continually furnished the French and Indians with intelligence, quarters, provisions, and assistance in annoying the Government ; while one part have abetted the French encroachments by their treachery, the other have countenanced them by open rebellion, and three hundred of them were actually found in arms in the French fort at Beausejour when it surrendered.

Notwithstanding all their former bad behaviour, as His Majesty was pleased to allow me to extend still further his Royal grace to such as would return to their duty, I offered such of them as had not been openly in arms against us a continuance of the possession of their lands, if they would take the oath of allegiance unqualified with any reservation whatsoever ; but this they have most audaciously as well as unanimously refused, and if they would presume to do this when there is a large fleet of ships of war in the harbour and a considerable land force in the Province, what might we not expect from them when the approaching winter deprives us of the former, and when the troops which are only hired from New England occasionally, and for a small time, have returned home ?

As by this behaviour the inhabitants have for-

feited all title to their lands and any further favour from the Government, I called together His Majesty's Council, at which the Hon. Vice-Admiral Boscawen and Rear-Admiral Mostyn assisted, to consider by what means we could with the greatest security and effect rid ourselves of a set of people who would forever have been an obstruction to the intention of settling this colony, and which it was now, from their refusal of the oath, absolutely incumbent on us to remove.

As their numbers amount to near seven thousand persons the driving them off, with leave to go whither they pleased, would have doubtless strengthened Canada with so considerable a number of inhabitants; and, as they have no cleared land to give them at present, such as are able to bear arms must have been immediately employed in annoying this and the neighbouring colonies. To prevent such an inconvenience it was judged a necessary, and the only practicable measure, to divide them among the colonies, where they may be of some use, as most of them are healthy, strong people; and as they cannot easily collect themselves together again, it will be out of their power to do any mischief, and they may become profitable, and, it is possible, faithful subjects.

As this step was indispensably necessary to the security of this colony, upon whose preservation from French encroachments the prosperity of North America is esteemed in a great measure dependent, I have not the least reason to doubt of Your Excellency's concurrence, and that you will receive the inhabitants I now send, and dispose of them in such a manner as may best answer our design in preventing their union."

**The Governors of Acadia during the French settlement and period of control were as follows**—including the English interregnum of 1657-70:  
1603 Pierre du Gurst de Monts.

- 1610 Jean de Biencourt, Baron de Pourtrincourt.
- 1632 Isaac de Launoy de Razilly.
- 1636 { Charles de Menou D'Aunay Charnisay.
- Charles de St. Etienne de LaTour.
- 1641 Charles de Menou D'Aunay Charnisay.
- 1651 Charles de St. Etienne de LaTour.
- 1657 Sir Thomas Temple.
- 1670 Hubert d'Andigny de Grand-Fontaine.
- 1676 Jacques de Chambly.
- 1684 Francois Marie Perrot.
- 1687 Robineau de Menneval.
- 1690 Robineau, Chevalier de Villebon.
- 1701 Jacques Francois de Brouillon.
- 1706 Daniel d'Auger de Subercase.

The Lieut.-Governors or Deputies during this period were Charles de Biencourt in 1611-1623; Charles de LaTour in 1623-1632; Jacques de Chambly in 1673-6; Pierre de Marson and Michel de la Valliere in 1678; Sebastian de Villieu in 1700-1, and Simon de Bonaventure in 1704-6.

**As Illustrating the Influence** of this interesting people upon the public life of the Canadian community it may be said that Gilbert W. Ganong, M.P., R. Blanchard, M.P., the Hon. Pascal Poirier, Senator of Canada, Alphonse Bertrand, M.P.P., P.J. Verriot, M.P., Pierre H. Leger, M.P.P., P. E. Paulin, M.P.P., the Hon. Charles H. La Billois, M.P.P., the Hon. A. D. Richard, M.L.C., the Hon. O. J. Le Blanc, M.L.C., of New Brunswick; the Hon. A. H. Comeau, M.P.P., the Hon. Isadore Le Blanc, M.L.C., the Hon. Henri M. Robicheau, M.L.C., the Hon. John Lovitt, Member of the Canadian Senate, in Nova Scotia; and the Hon. J. O. Arsenault, member of the Canadian Senate from Prince Edward Island; are at the present time (1897) descendants of Acadian settlers, and members of the Dominion Senate, the House of Commons, or the Local Legislatures respectively.

## CANADA AND THE AMERICAN REVOLUTION

BY

THE EDITOR.

THE British conquest of Quebec in 1759 made the United States possible. With a strong French power entrenched to the north of the great lakes and stretching down the continent until it reached Louisiana, a small independent group of English colonies would have been out of the question. The Thirteen Colonies themselves thoroughly recognized this fact and the necessity of winning in the prolonged duel between France and England. More than once indeed they rushed into hostilities on their own account, and as a result of the ambitious rivalries which existed for a hundred years between New France and New England. Upon other occasions their local troops co-operated with the British regulars in both defensive and offensive warfare.

But in the victory at Quebec and the fall of Louisbourg—the two pivotal events of the final struggle—they had little share. To the defence of their homes and firesides against French and Indians they had frequently supplied isolated contingents and expeditions, but in the main England gave the soldiers and supplied the means by which the continent was eventually brought under the control of its English-speaking population. Without the red-coated regulars who afterwards came to be so intensely hated, the settlers along the Atlantic shores would have become subject to the permanent presence of an over-shadowing Power to the north and east—one which seemed also able to obtain the more or less constant alliance of a large number of the American Indians.

In extending and maintaining her supremacy upon the continent, and in protecting the Colonists and ensuring their future immunity from the presence and pressure of such a formidable rival as France, England incurred a national debt which in those days was looked upon as tremendous,

with no other apparent result than that of freeing her Colonies from a shadow lying athwart their progress towards separation, revolution, and independence. So great was the Colonial dread of this French rivalry that when Baron d'Estaing, during the ensuing rebellion, tried to obtain, by means of a manifesto and suggested personal intervention, the aid of the French-Canadians, Washington would not hear of French troops or ships approaching Quebec—even though at that moment the cause of Congress depended for its success upon the guns and money of Napoleon.

During the years immediately following Wolfe's victory upon the Heights of Abraham, and the bon-fires which blazed for the last time on the hills of New England because of a British success, the history of the Thirteen Colonies is a medley of misunderstandings, mistakes, and misgovernment. England had poured out blood and treasure like water for her Colonies, and she naturally thought that they should make some return. The English peasant was being taxed to defend his fellow-subjects in America against foreign enemies—and Indian forays often brought on by local inability to deal justly and honestly with the untutored red man. The American colonist, on the other hand, was without representation at home, though not without the powerful sympathy of Chatham, and Burke, and Fox. He was the victim of unjust commercial laws which restricted his progress and hampered his prosperity. He was, especially in New England, the product of a migration which made each man believe in personal liberty as something almost equal in sacredness to his religion and his Bible.

The feeling in England resulted in the Stamp Act—afterwards repealed; in legislation enforcing the collection of revenues from customs duties which then formed part of the established law of



GUY CARLETON, LORD DORCHESTER.

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the realm, and which at first the Colonists did not dispute in principle though they disliked them in practice; in taxes upon products such as tea and molasses, and in active efforts to prevent the wholesale smuggling which was going on. It is easy now to see that all this English interference with the internal affairs of the Colonies was a mistake, but it is equally clear that in principle it was not wrong. There were then no precedents to go upon in the government of distant dependencies, nor was there any very pronounced comprehension at home as to what the Colonists really wanted. Self-government was hardly as much a fact in the England of that day as it was in the Provinces of New York or Georgia. Yet the former was soon honey-combed with disloyalty, while the latter was loyal almost to the last.

George the Third believed that the Colonies should do something, no matter how little, in return for all that England had done for them. Theoretically many did not dispute this, practically they repudiated all obligation when it came to the test. No doubt the wrong method was adopted; equally beyond doubt the hostility aroused and the disloyalty displayed by a section of the population from 1765 to 1776 was far beyond the causes alleged. Had a feeling of sympathy, or even friendship upon general grounds, existed in the minds of the aggressive Colonial minority towards England in those years the rebellion need never have occurred. It did exist amongst the majority and might have been enormously developed by wisdom in government and by an earlier enforcement of King George's belief that in the interest of England and the Empire the union must be preserved. Under such circumstances the unjust commercial laws and the unwise schemes of taxation would not have sufficed to light the flames of revolution.

But the King was badly advised and weakly supported. He had ministers at home such as Lord George Germaine, the Colonial Secretary—perhaps the most utterly incapable man who ever wielded great power at a critical juncture—and the intense opposition to his Government of men like Burke, and Fox, and others, who appeared entirely indifferent as to the connection with the Colonies if they could make a point against the sometimes arbitrary and personal rule of the

Sovereign in England. Hence the mistaken popular idea that the questions at issue in America involved the progress of liberty at home. And every word of indirect support that the lawless element in the Colonies received from the eloquent exponents of theories in England, weakened the hands of the King and of his administrators abroad until mobs in New York and Boston and other American centres assumed practically the control of government, and the Royal representatives could neither enforce the laws, use their troops, nor command respect. Out of such conditions revolution naturally grew.

There is indeed little to be proud of on either side during the miserable years which preceded the declaration of independence. If there was irresolution and ignorance at home, and blundering in the Royal administration of the Colonies, there was much of demagoguery and interested falsehood in the statements and agitations prevalent in America. The British regulations regarding the Indians were wise and honourable, but to the American colonists, who neither then nor since have been able to treat the red men justly, they caused intense dissatisfaction. This fact is illustrated in the almost unanimous adhesion of the Indians to England when the war came. Enforcement of the laws against smuggling cannot fairly be denounced. The law might be bad, but while it remained on the statute book it should be observed. And there were two sides even to the question of these commercial regulations. When Canada lost a modified form of them in 1846 the result was almost bankruptcy. For twenty years after the revolution, and the obtaining of complete liberty of trade, the United States was also in a deplorable commercial condition. But however that may be, all the indignation and hostility caused by this and other items in account were given full vent in the final denunciation of the Stamp Act. The latter was a simple enough means of taxation, and surely, had moderate counsels prevailed, some compromised method of contributing to the Imperial exchequer might easily have been reached. The better men, such as Washington, were willing, but those of the type of Samuel Adams and Patrick Henry would admit of no arrangement.

When the latter as a slave-holder, who until



the day of his death owned and bought and sold slaves, denounced the tyranny of the King—who in all this question of Colonial taxation embodied the wishes of a parliamentary and popular majority at home—and asked whether life was so dear, or peace so sweet, as to be “purchased at the price of chains and slavery,” he voiced the feeling of those who wanted separation upon any pretext whatever. And when he declaimed his famous words, “give me liberty or give me death,” he simply represented the class of demagogues who were striving to develop difficulties into cause for a hopeless and permanent division of the race and to pave the way for the war and devastation of ten years later. When Thomas Paine, the storm centre of so much international lawlessness, crime, and misery issued his famous pamphlet entitled “Common Sense”—which stirred up all the bad blood and ignorant prejudices of a scattered people—he did an injury to the peace and Christian growth of the world which all his personal hatred of Christianity could not have affected in a thousand years of direct denunciation.

It is said that separation was inevitable. No greater mistake or mis-statement was ever made. Upon this belief was founded the Manchester school theory that Colonies were like ripe fruit and must eventually drop from the parent stem. Canada and other great countries have proved this idea to be false, and had the principles of constitutionalism advanced as far and as quickly in England as they had in America at this date, all the discontent of factions and the demagogueism of individuals could not have brought on the war. But, unfortunately, English public opinion was still a halting power, and though Chatham at one time might have saved the union, he was never given the chance, and Burke and Fox were often more intent on party advantage than national good. There were periods during the war itself when vigour in the field and wisdom in council would have averted disasters, conciliated public sentiment, rallied the loyalists, and depressed the battling colonists to the point of apparent submission, but ultimate constitutional victory.

Speculation of this kind is of little avail now, but history has its lessons, and this period was a very important one for Canada. Certainly the better class of the American leaders did not want

separation, and it is an extraordinary fact, admitted by American writers like Sabine, that up to the day when the sound of the guns at Lexington “echoed around the world” the idea of independence was kept so much in the background as to be practically out of sight in the popular discussions. Franklin himself declared a few days after that opening shot in the Revolution that he had more than once travelled almost from one end of the continent to the other and kept a variety of company, eating, drinking, and conversing freely with every one and “never had heard in any conversation from any person, drunk or sober, the least expression of a wish for a separation or a hint that such a thing would be advantageous to America.” Thomas Jefferson stated that before the commencement of hostilities “I never heard a whisper of a disposition to separate from Great Britain; and often that its possibility was contemplated with affliction by all.” Washington and Jay have made similar statements, whilst James Madison in 1776 declared that “a re-establishment of the colonial relations to the parent country, as they were previous to the controversy, was the real object of every class of the people” at the beginning of the war.

These utterances indicate that the better class of the leaders were deceived by the demagogues with whom they were associated, into action which made retreat impossible and attempted separation certain—or else that they were themselves deceiving the public. They prove the strong, logical, and patriotic position of the Loyalists, who fought against what even their opponents declared to be undesirable until the war had begun. They reveal the shocking injustice and cruelty of the treatment accorded to the latter for opposing what Washington referred to in October, 1774, when he said, “I am well satisfied that no such thing as independence is desired by any thinking man in all North America.” It is the fashion nowadays to pervert history and facts by unstinted laudation of everyone connected with the victorious side in this contest and equally unstinted condemnation of all who opposed the movements which resulted in the Revolution. Yet George the Third was no more the tyrant which he is described as being in the Declaration of Independence and in Fourth of

July orations of a succeeding century, than Abraham Lincoln was the character which Southerners in later days painted him. If the King wanted to retain some control over his Colonies in times when the modern form of constitutional government was only in its preliminary stages of little understood evolution—and when, in England itself, he had more or less complete control over his ministers—he cannot be properly called a tyrant. Nor can he fairly be denounced for a desire to retain his Empire unbroken.

When he wrote to Lord North on June 13th, 1781, that "we have the greatest objects to make us zealous in our pursuit, for we are contending for our whole consequence, whether we are to rank amongst the great Powers or be reduced to one of the least considerable," he had surely as patriotic a basis for action as any ruler in history. Throughout his long struggle with incompetent ministers, periods of personal mental aberration, politicians who cared more for partisanship than for empire, foreign enemies who soon included France and Spain and Holland as well as the revolted Colonies, relations such as his eldest son, who tried to make his Court a pandemonium, he yet held to his faith and hope as truly as did Lincoln in his subsequent struggle for national unity. Writing to Lord North on November 3rd, 1781, the King again declared that "I feel the justice of our cause; I put the greatest confidence in the valour of both army and navy, and, above all, in the assistance of Divine Providence."

But his hopes of Empire were not to be realized except in another age and under very different conditions. Let it be repeated, however, as it should be remembered, that the faults of George III. were those of the age in which he lived; that his virtues and patriotism were purely his own, and stand out brightly amid most gloomy surroundings; that his mistakes of administration in the Colonies were due in the main to inefficient officials there or at home; that the pages of English history do not show him a tyrant in any form but merely a strong-willed ruler of the day with certain unfortunate personal prejudices which had nothing to do directly with the American Colonies. He certainly held the respect of his people

in the British Isles, and no amount of misfortune or the vituperation of American literature has ever lost him this. Even John Wesley at that time lectured the Colonists on the wickedness of their insurrection, and declared that "our sins shall never be removed until we fear God and honour the King." Yet the founder of Methodism has never been denounced for thus giving support to "a tyrant." The fact is that the King represented his country and Parliament throughout this struggle, and can therefore in no sense be called by that name—or if so, only in the way in which the same phrase might be applied to Lincoln. One, however, failed, and the other succeeded.

So much for the environment of the revolution. It may be summed up in a sentence or two. A well intentioned King in conflict with the Whigs and Radicals at home. A Tory ministry composed of men who could not understand the fact that they had to do with a people in America who by the very circumstances of their migration and birth were advanced Radicals in their views and intensely jealous of their liberties. A Colonial population divided into an aristocratic class of office-holders, large land-owners, and gentry, a second and larger class of merchants and traders, a third class of farmers and mechanics. The first was strongly British, the second gradually became anti-British, the third was divided even to the end of the war, with a tendency at first amongst the farmers, of the southern provinces especially, to remain loyal. They had not suffered like the commercial classes from the taxing and anti-smuggling laws.

But the war came despite the feelings of men like Washington and the hopes of leaders like Chatham. The Stamp Act of 1763 was repealed three years later, practically in response to mob violence and fierce protests. The tax upon tea brought into Colonial ports caused the famous Boston riot of 1773. The Continental Congress for united action and protestation met at Philadelphia in 1774, and amongst other things denounced the Quebec Act, just passed in connection with the Canadian Province and by which the laws and religion of the French population were established, in the most unmeasured terms. The following is an extract in this connection from the

Address of Congress to the people of England, dated at Philadelphia, the 5th of September, 1774:

"We cannot help deploring the unhappy condition to which it (the Quebec Act) has reduced the many English settlers who, encouraged by the Royal proclamation promising the enjoyment of all their rights, have settled in that country. They are now the subjects of an arbitrary government, deprived of trial by jury, and when imprisoned, cannot claim the benefit of the Habeas Corpus Act, that great bulwark and palladium of English liberty. Nor can we suppress our astonishment that a British Parliament should ever consent to establish in that country a religion that has deluged your island in blood, and dispersed impiety, bigotry, persecution, murder, and rebellion through every part of the world."

These vigorous defenders of liberty for themselves were thus put on record as opposed to granting it to others. The following year Congress met again at Philadelphia amidst the stormy period succeeding the fight at Lexington, and an urgent appeal was made to the Colonists in Quebec and Nova Scotia—the religion of whose majority had been so fiercely denounced in 1774—to help them in withstanding "British tyranny." The document is signed by Henry Middleton, President, and is most curious in its terms. Needless to say the appeal was not appreciated by the wise ecclesiastical leaders of Quebec, though its translation into French and distribution amongst the *Habitants* undoubtedly produced a marked effect. Meanwhile the publication of all kinds of inflammatory literature had been permitted in the Colonies, and with a fatuity that is difficult to understand, no organized attempt seems ever to have been made to answer the wholesale charges and calumnies which were afloat. The advocates of revolution, under the disguise of patriotism, were allowed to preach doctrines which could not but result in creating the very conditions which men like Franklin so strongly reprobated, and enable the violent minority to ultimately stampede the country into separation.

But this seems to have been a part of the general policy of drift. George III. and his Parliament drifted from the mere assertion of a right to tax the Colonists into an attempt to enforce that right—without vigour, without continuity of effort, without organization. The Colonists drifted

from discontent into denunciation, from riots into revolution. Canada was allowed to drift along without adequate forces for defence, and only in the Quebec Act and the local policy of conciliating the French was any statecraft shown. Then came the fight at Lexington on April 19th, 1775, that of Bunker's Hill two months later, the capture by Ethan Allen of the forts at Ticonderoga and Crown Point, the opening of the war-path into Canada and the invasion of that country by 3,000 men under General Montgomery and 1,200 men under Colonel Benedict Arnold.

Then, and throughout the war, matters continued to drift so far as England was concerned. There was no energy or ability shown in its prosecution, and more than one English General acted like a secret ally of the Colonial forces rather than as the leader of an aggressive army. There were two exceptions—Sir Guy Carleton in Canada and Sir Henry Clinton in New York. But the former was hampered by the constant unfriendliness of his incapable Chief in the British Government—Lord George Germaine—and was eventually superseded by the showy and unfortunate Burgoyne. The other only inherited the command after Howe had almost blasted every hope of success.

To General Carleton—afterwards Lord Dorchester—is due the fact that Canada to-day is a British country. Astonishing as it may seem, he had only a few hundred regulars under his command, and when he sent to General Howe for help in 1775 that officer was unable to forward troops because Admiral Graves *would not supply the ships for transport*—a very ordinary condition of affairs throughout the years which followed. He could depend upon little aid locally. The English settlers were a mere handful and were naturally dissatisfied with the Quebec Act. The French-Canadians were at the best neutral, and in many places threatened active hostility owing to the false statements of alien agitators whose first act under successful conditions would have been to abolish the religious privileges and immunities of which the British Government had been the grantor and guardian.

The American advance under Montgomery was at first eminently successful. They forced their way across the Richelieu, took St. John's and

Chambly, and compelled the Governor-General with his small armed force to leave Montreal at their mercy, and retreat to Quebec. There he displayed consummate skill, weeded out and expelled the rebel sympathizers, enrolled several hundred loyalist volunteers, and finally with 1,600 men-at-arms awaited the struggle. Meantime from different directions and through wintry wilds and varied difficulties Montgomery and Arnold converged upon Quebec, where towards the end of November they demanded the surrender of the city—the last spot in the Province where waved the British flag. But to this and other communications no reply was given. General Carleton would have no intercourse with one whom he considered a rebel and nothing more.

The invaders, however, were greatly disappointed. They had not been able to obtain the active support of more than a handful of the French-Canadians, and indeed, by the payment of worthless paper money for supplies, and a general indifference to the religious convictions of the populace, had estranged most of the sympathy previously gained. Even General Washington's address to the inhabitants of Canada calling them "friends and brethren," pointing out the success which Congress was having, and asking them to support "the standard of general liberty against which all the force and artifices of tyranny will never be able to prevail," had little or no effect. The French settlers, after all, had had enough of fighting, and neither appeals to liberty from the Americans on the one hand nor pressure by clergy and Seigneurs on the other, would stir them from a practically general neutrality.

The intense cold of a Quebec winter was also added to the difficulties of the American commanders, to say nothing of the certainty of a British relief fleet arriving in the spring. So a desperate and final assault was decided upon, and amid the thick darkness of a stormy night on the 31st of December, 1776, they attacked the walls in two assaulting columns. The force under Arnold fought its way into the city, but was ultimately driven back, and four hundred out of seven hundred invaders were captured. Montgomery's men were met at once with a deadly fire, and the General himself was killed whilst leading the

charge. The latter has been much praised as a man and an officer, and his death naturally inclines history to look favourably upon his memory. But a man who, like Carleton himself, had served under Wolfe in other days should have known better than attempt such a deed, brave as it undoubtedly was, and he should certainly have hesitated long before he issued a general order on December 13th promising his troops the plunder of the city in the following words: "The Troops shall have the effects of the Governor, Garrison, and of such as have been acting in misleading the Inhabitants and distressing the friends of Liberty, to be equally divided among them."

After this repulse the enemy maintained simply a strict blockade and were greatly cheered by the arrival of re-enforcements in the spring. But almost simultaneously British ships arrived in the St. Lawrence, and the Americans prepared to retreat. Carleton followed them, captured their guns, and finally turned the retreat into a flight and utter rout. Shortly afterwards a small force of British regulars and Indians captured "The Cedars," a fort on the St. Lawrence, and in June an American attack upon Three Rivers was repulsed by a small force of Canadians and regular troops. British aid was now pouring into the Province, Montreal was evacuated, and soon the invaders were driven to Lake Champlain where, through the possession of a small fleet, they managed to hold their own until the autumn. Meanwhile the British had also built a fleet, and after a hot battle the rebel forces were driven from the lake, the ramparts of Crown Point blown up in their retreat, and the inland gates of Canada once more taken possession of by Carleton and the British.

In New York, New England and elsewhere the war continued for years to drag its weary and bitter course. The hollowness of the claim made by many public men in the revolted Colonies that they only desired the right to rule themselves under the Crown found ample evidence in this aggressive campaign against Canada and received its final seal in the Declaration of Independence by Congress, on July 4th, 1776. All this time the British troops were doing little except holding New York. A vigorous military policy in 1775 might have averted the war by over-awing the riotous,

encouraging the loyal, and forcing into consistent allegiance many who affected to favour union whilst working for separation. General Gage, who was in command of the troops, seems to have been undecided and incapable to the point of a practical abdication of power. In May, 1776, Generals Howe, Clinton, and Burgoyne arrived on the scene with re-enforcements and the first named took command.

Sir William Howe was a brave but self-indulgent, frivolous, and incapable officer. During the year which followed he won possession of all New York and New Jersey, defeated Washington at the Brandywine, and captured Philadelphia. Here the ball was at his feet. He had already made serious mistakes and delays which were deeply injurious to the loyalist cause. But activity might now have regained all that was lost and crushed the rebellion before French assistance came. Washington, during the winter of 1776-7, was almost in despair. His small army was entrenched at Valley Forge in a fairly strong position, but one which Howe with his superior force and more disciplined troops might have easily stormed, or else surrounded and starved the defenders into submission. The *prestige* of the revolution was gone, the people were sick of civil strife, the situation was so gloomy that Washington could get neither money, food, nor supplies, and one brilliant stroke might have settled the question so far as arms could do it. Time could have been trusted to do the rest as it afterwards did in England regarding Catholic emancipation, and in Canada concerning Responsible Government. But instead of doing his duty, Howe rested for the winter at Philadelphia, where he flung away precious months in idle sport and amusement.

Meantime the tide turned. Burgoyne, under the control of Lord George Germaine, was sent out to supersede Sir Guy Carleton in Canada and to lead an army of 8,000 men from Lake Champlain down the Hudson to New York. It is needless to repeat the story of a disastrous march preceded by apparent victories such as the capture of Ticonderoga and the defeat of one opposing army. The farther he penetrated into the enemy's country the more of them he had to encounter, until finally at Saratoga, surrounded by

30,000 Congress troops, his now depleted force was compelled to surrender. He had sworn in his vanity that British soldiers never retreat. History declares that his misplaced obstinacy, combined with Howe's inaction, ruined the Royal cause and gave the victory to the republicans and their able leaders. Immediately upon hearing of this surrender and the evidence it afforded of possible American success, the Court of France accepted the proposals which Franklin had been long pressing upon them, and not only recognized the independence of the United States but formed an alliance with its provisional Government and prepared for the war with England, which at once commenced. Spain shortly afterwards joined in a declaration of war. Holland followed suit, owing to some commercial dispute, and the hour of the American republic had come at last.

Even this condition of affairs did not disturb the pleasures and ostentatious gaities of Howe, and he idled on at Philadelphia until spring, when he suddenly resigned and returned to England. Sir Henry Clinton succeeded to the command, and was at once ordered to evacuate the Quaker City. Washington meanwhile had once more got his troops into shape, while the assistance of France had changed the whole surface of affairs and the spirit of the people. Clinton, however, pushed the war with some activity, and seized Charleston, while Lord Cornwallis overran the Carolinas and Georgia, and by 1781 had much of the South under control. Then came the great disaster at Yorktown. It was the result of French support to the Revolution, and was occasioned by the most miserable exhibition of incapacity seen even during this war.

New York was apparently threatened by a combined French and American attack, and Clinton sent to Cornwallis for re-enforcements. The latter, with about 6,000 troops, evacuated Charleston and marched northwards. When he reached Chesapeake Bay he found himself menaced by about 18,000 of the enemy, and at once entrenched himself at Yorktown, facing the ocean—a point from whence he could receive by sea the help which he at once asked Clinton for. The latter replied that by a certain date it would be there. Meanwhile De Grasse, with large French re-enforce-

ments, had been allowed by Rodney for some inscrutable reason—supposed in part to be the failure by Lord George Germaine to advise him of the strength of the French fleet—to slip past the West India station. On the American coast he had an undecided conflict with Admiral Graves—a most incapable officer—and was allowed, after some days' manœuvring, to return to Chesapeake Bay and thus cut off Cornwallis in the rear. Even with these difficulties, however, the latter might yet have been relieved had Graves only been amenable to haste and reason. Clinton had promised aid by October 5th, but despite all his efforts the fleet did not sail till the 19th. On the 17th of October, after nearly two weeks' siege, and hopeless of aid from New York, Cornwallis had surrendered.

This practically ended the war. Germaine resigned his place in the Ministry at home, after he had done all the evil possible. Cornwallis returned to England, and afterwards distinguished himself as Governor-General of India; Clinton retired from the command in America and died, in 1795, as Governor of Gibraltar; Sir Guy Carleton was sent out as commander-in-chief, and supervised the evacuation of New York. Had he been appointed a few years earlier he might have saved the Thirteen Colonies to the Crown as he did Canada. The Treaty of Peace was signed at Versailles on September 3rd, 1783. Instead of feeling beaten, sore, and angry as American history would lead one to suppose she did, England seems, however, to have been in rather a friendly and generous mood.

The union of the Powers against her had revived the national spirit, and it is probable that the close of the war saw her better able to cope with enemies than the beginning. But it was all over now, and she evidently hoped to win back the friendship of the Americans by open-handed generosity. Franklin wanted Canada to be given up, but this was a little too much even for Lord Shelburne, and the Government compromised by making the new-born Republic a present of the rich Ohio valley and all the southern part of what was then called Quebec. On the east the fatal blunder was made of defining the boundary as the St. Croix River, and thus inserting a wedge of alien territory between Lower Canada and

Nova Scotia and depriving the future British Dominion of a winter sea-port. Canada has indeed as little reason to be grateful to Lord Shelburne in these negotiations as it afterwards had to Lord Ashburton. But a statesman can almost be pardoned for not anticipating the result of a hundred years of American and Canadian development. The citizens of the United States should, however, remember this generosity and appreciate it. And it would be well also if a few cardinal facts in the history of this struggle were borne in mind by Canadians:

I. The English were not really beaten by the revolted Colonists. Washington never won a pitched battle in the Revolutionary War, and the victory at Saratoga was due to Burgoyne's incapacity, while the surrender at Yorktown was the result of French support.

II. The whole war was a long series of blunders on the part of English generals and admirals, only equalled by the patience and skill of Washington.

III. The first aggressive actions were by the Americans—at Boston, at Lexington, and in the invasion of Canada.

IV. No taxation without representation, was the cry, but representation was never asked for, and was refused when offered in 1783, whilst contributions to Imperial taxation and defence were never squarely offered by the Congress or provincial assemblies.

V. George the Third was acting in support of the supremacy of Parliament over the Colonies, and this supremacy was not theoretically denied even at times when the King was being fiercely denounced as a blood-thirsty tyrant.

VI. When the Revolution broke out it was the voice of an active minority which only became a majority after long and bitter strife and the weakness of Royal generals who alienated the loyalists and practically encouraged their enemies.

VII. The Declaration of Independence was a distinct breach of faith on the part of the aggressive section in the Colonies toward their friends and sympathizers in England. With the possible exception of Fox, many leaders of that day—Chatham, Camden, Shelburne, the Duke of Richmond, Burke, Dunning, and others—supported the Colonial protests and even approved Colonial violence because they believed the American leaders



to be honourable men pledged up to the lips so far as British connection was concerned. So with many English city corporations and masses of other Colonial supporters amongst the people.

VIII. The independence which eventually came was won, so far as force was concerned, by the aid of France and Holland and Spain. French gold and French soldiers and sailors did for the rebels of that day what English gold and English ships might have done for the Southern rebels of eighty years afterwards.

**A feature of the American Revolutionary War** which should be more clearly understood in British countries than is the case at present, was the use of German troops by Great Britain. Historians and writers in the United States have condemned it in the most wholesale and sweeping fashion, regardless altogether of the fact that from the very commencement of the struggle the Colonies, through Franklin and others, made unceasing efforts to obtain the co-operation of French troops against the Mother Country. It was far more natural for King George to receive and accept German aid. Through his sovereignty over Hanover, as well as by partial descent, he was a German Prince, while the bulk of the rulers of Germany were his allies in war against the common enemy—Napoleon—who was first a secret and then an open ally of the Thirteen Colonies.

Dr. Kingsford, in his *Canadian History*, has gone into this subject very thoroughly, and points out that: "It was not in the light of Sovereigns furnishing troops for payment of a wage that George III. appealed to the German Princes. He asked their co-operation as allies, binding himself to protect their country in case of attack. It was an alliance for defence and offence. Any hostile attitude of France threatened equally Hanover, Brunswick, and Hesse, and those states could with justice make common cause for their own national preservation.

"German writers of history, not led away by political passion, agree in the fact that the enlistment was voluntary. Doubtless the recruiting sergeant, true to his calling, was profuse in prom-

IX. England at the close of the war was not exhausted and worn out with her struggle against the great coalition of which the thirteen colonies were after all but a small fraction. In another ten years she was fighting the vast power of Napoleon almost single-handed. She was, however, really weary of divided counsels at home, which for years had weakened her power in America, and which finally won a hearty consent to the separation—a result followed by many tokens of friendship and conciliation.

ises, and not particularly scrupulous in the description of the service to be rendered; but the presence of the men in the ranks was a spontaneous act, and force was not used to compel enlistment. One feature in the composition of the troops was that men of good family, many possessing property, held the position of officers. Such had always been the case from the days when the contingents had been placed at the service of Christian V. of Denmark, and troops had been sent in 1687 to aid Venice in its wars with the Porte. That the men who were engaged were, as a rule, greatly interested in the enterprise is established by the journals which remain, and the letters written home by officers and men.

"In December, 1775, Colonel Faucit proceeded to Brunswick to conclude the arrangement which had been unofficially discussed in London. The proof that the prospect of foreign service was welcomed by the troops of the German Princes is established by the fact that in the numerous contemporary letters and journals which have been preserved there is no expression of dissatisfaction either with the rulers or the generals. The question never presented itself to the German mind as a matter of bargain and sale. The common sentiment was that it was a national duty not to abandon an ally in a situation of trial and difficulty; and in those days the blood relationship of Sovereigns told powerfully on the feelings of a people. It is unjust and without warrant to regard the presence of the German troops in America only from the moral standpoint of their engagement to fight in a cause in which they were in no way interested."

That the money arrangements were liberal on the part of Great Britain, and profitable to the ruling German Powers, can easily be seen by the following table procured from the Parliamentary documents of Great Britain by a German writer named Von Eelking :

Country.	Payments during war.
Hesse Cassel (8 years).....	£2,959,800 sterling.
Brunswick " .....	750,000 "
Hesse Hanau " .....	343,130 "
Waldeck " .....	140,000 "
Anspach Bayreuth (7 years) .....	282,400 "
Anhalt Zerbst " .....	109,120 "

According to the agreement these subsidies were to be paid for two years after the close of the war. It is estimated that the annual payment to the German Princes was six million thalers, or about £875,000 sterling, or about \$40,000,000 altogether. The total number of continental troops sent to America during the war between 1776-1782 was as follows :

Brunswick.....	5,723
Hesse Cassel.....	16,992
Hesse Hanau.....	2,422
Waldeck.....	1,225
Anspach.....	1,644
Anhalt Zerbst.....	1,160

Of these about three-fifths never returned. Many, of course, settled in Canada or the Republic.

**It is curious to note how clearly some of the American leaders were able to look into the future, and write of the form of Colonial Government which has now become the established British system. The following extract from a letter of Franklin to M. Dubourg, dated October 2nd, 1770, illustrates this fact :**

"We of the Colonies have never insisted that we ought to be exempt from contributing to the common expenses necessary to support the prosperity of the Empire. We only assert that having Parliaments of our own, and not having representatives in that of Great Britain, our Parliaments are the only judges of what we can and what we ought to contribute in this case ; and that the English Parliament has no right to take our money without our consent. In fact, the

British Empire is not a single state ; it comprehends many ; and though the Parliament of Great Britain has arrogated to itself the power of taxing the Colonies, it has no more right to do so than it has to tax Hanover. We have the same King, but not the same legislature."

The argument sounds all-powerful to nineteenth century Canadians and British subjects, but it must be remembered that this is not the way in which Great Britain was appealed to. No offer of contributions was ever made by the Colonial legislatures, nor was any definite demand for representation ever submitted. Every concession by England seemed to result only in further steps toward independence, and this naturally inclined the King and his ministers to assert vigorously the principle of the right of taxation. The delegation of Royal authority through a Governor at the head of a distant Parliamentary system was not of course understood, or thought of as possible. So much the greater was the responsibility of men like Franklin, who seemed in some measure able to grasp the skirts of the future, and who might have guided American public opinion in such a different direction.

**The character and policy of George the Third** has not yet been done justice to in American history. The time for impartial treatment of the subject in the United States seems indeed to be still rather distant. But in the pages of British historical works it is different. English writers are so accustomed to criticize and study, without fear or favour, the characters of their Sovereigns, that much ground has been prepared in recent years for a complete comprehension of King George and his environment. Lord Mahon—the late Earl Stanhope—in his "History of England" contributes some valuable reflections in this connection.

"Of Washington" he declares, "I most firmly believe that no single act appears in his whole public life proceeding from any other than public, and those the highest, motives. But my persuasion is no less firm that there would be little flattery in applying the same terms of respect and commendation to the 'good old King.' I do not deny, indeed, that some degree of prejudice and pride may, though unconsciously, have mingled



with his motives. I do not deny that at the outset of these troubles he lent too ready an ear to the glowing reports of his governors and deputies, the Hutchinsons or Olivers, Gateses, Dummores, etc., assuring him that the discontents were confined to a factious few and that measures of rigour and repression alone were needed. For such means of rigour he may deserve, and has incurred, his share of censure. But after the insurgent colonies had proclaimed their independence, is it just to blame King George, as he often has been blamed, for his steadfast and resolute resistance to that claim? Was it for him, unless after straining every nerve against it, to forfeit a portion of his birth-right and a jewel of his crown? Was it for him, unless through the clearest case of necessity, to allow the rending asunder of his empire; to array for all time to come several millions of people against the rest?

"After calling on his loyal subjects in the colonies to rise, after requiring and employing their aid, was it for him on any light grounds to relinquish his cause and theirs, and yield them over, unforgiven, to the vengeance of their countrymen? Was it for him to overlook the consequences, not even yet, perhaps, in their full extent unfolded, of such a precedent of victory to popular and colonial insurrection? May not the King, on the contrary, have deemed that on such a question, touching as it did both his honour and his rights, he was bound to be firm—firmer than even the firmest of his ministers? Not, of course, that he could be justified for persevering; but, in truth, he did not so persevere after every reasonable hope had failed. Not, of course, that he could be excused from continuing to demand, or to expect, unconditional submission; but, as his own letters to Lord North assure us, such an idea was never harboured in his mind. To do his duty conscientiously, as he should answer for it to God hereafter, and according to the lights he had received; such was his unceasing aim and endeavour from the day when, young but superior to the frailties of youth, he first assumed the reins of government, until that dismal period, half a century later, when, bowed down by years and sorrows, and blind, doubly blind, he concluded his reign, though not, as yet, his life."

in 1783, as is now known, Royal Commis-

sioners were empowered to offer the colonists representation in the Imperial Parliament and even the right to elect their own Governors as well as to maintain free State Legislatures. But the suggestion was hardly considered by Congress.

**At the time when the American troops in Montreal had but a precarious hold upon their position, three Commissioners were sent by Congress—on the 27th of April, 1776—to try and counteract the efforts of Carleton. The duty entrusted to them was to judge of the condition of the Province, and especially to exercise a conciliatory influence upon the French-Canadians. The Commission consisted of Benjamin Franklin; Chase, of Maryland, who had taken part in the Continental Congress of 1774; and Charles Carroll, of Carrollton. The latter, a Roman Catholic, was accompanied by his brother, a Jesuit, and afterwards the first Roman Catholic Archbishop in the United States. Both the Carrolls had been educated in Europe.**

The constitution of the Commission was therefore another distinct appeal to Catholic sentiment, with the expectation that it would influence the Canadian ecclesiastics to actively support the American occupation. There was even a quasi-suggestion, says Dr. Kingsford, that Canada might be allowed to retain an independent position in its relations with the more southern Provinces. The Commissioners declared that they themselves had no apprehension that the Canadians would side with Great Britain, for it was their interest, and the Commissioners had reason to believe, their inclination, to cultivate a friendly intercourse with the revolted colonies. Self-government was again promised to Canada, with the right of following the religion the inhabitants professed, and an assurance was given that all abuses would be reformed. But it was useless, and in a few months Carleton had driven the last invader across the frontier.

**The British employment of Indians during this war is greatly condemned and denounced by American writers. Yet their aid was freely accepted by Montgomery, when obtainable, in his invasion of Canada in 1775. During the autumn of that year the question of their general employ-**

ment was considered by a Committee of Congress in conference with Washington and special delegates from various Provincial governments. Washington's chief objection then, as shown in a letter to General Schuyler on January 27th, 1776, was that of expense. On April 19th following, he publicly advised Congress "to engage them on our side," and Congress itself, on June 3rd—a month before the Declaration of Independence which denounced King George for having "endeavoured to bring on our frontiers the merciless Indian savages, whose known rule of warfare is an undistinguished destruction of all ages, sexes, and conditions"—passed a resolution to raise 2,000 Indians for the Canadian service.

Shortly afterwards General Washington was authorized to employ such Indians as he could obtain for service, and to offer them bounties for every officer and soldier of the King's troops whom they might capture. Comparatively few responded, and it is hardly to be wondered at when we remember that only twenty years before the Province of Massachusetts (according to Ludlow's "History of the War of Independence") had offered a bounty of £20 for the scalp of every Indian warrior and child found within that territory, and £40 for those of Indian males. The latter figure was afterwards raised to £300.

**During the period of strife and ultimate war** between the American Colonies and England some changes took place in the composition of the Home Government. Prior to 1768, and as far back as 1660, the affairs of the Colonies had been managed by a Council of Plantations or of Trade and Plantations, but in the former year stress of circumstances so enhanced the importance of this department that a Secretary of State for American and Colonial Affairs was appointed, and so remained until 1782. The following were the holders of this office:

Appointed.	Name.
January, 1768.....	Wills, Earl of Hillsborough.
August, 1772.....	William, Earl of Dartmouth.
November, 1775.....	Lord George Sackville Germaine.
February, 1782.....	Rt. Hon. Welbore Ellis.
March, 1782.....	William, Earl of Shelburne.
July, 1782.....	Thomas, Lord Grantham.

From 1782 to 1794 the much lessened Colonial business was under the direction of the Home Office, with a separate department called the Office for Plantations. The Secretaries of State during this period were as follows:

April, 1783.....	Frederick, Lord North.
December, 1783.....	George, Earl Temple.
December, 1782.....	Thomas, Lord Sydney.
June, 1789.....	William Wyndham Grenville.
June, 1791.....	Rt. Hon. Henry Dundas.

In the year 1794 the office of Secretary of State for the Colonies was once more established, and Henry Dundas (Lord Melville) was appointed to the post in conjunction with the Secretaryship at War. The two departments remained united until 1854. During the period following this, and including that of the War of 1812, the Secretaries were:

March, 1801.....	Lord Hobart.
May, 1804.....	Earl Camden.
July, 1805.....	Lord Castlereagh.
February, 1806.....	William Windham.
March, 1807.....	Lord Castlereagh.
November, 1809.....	Earl of Liverpool.
June, 1812.....	Earl Bathurst.

Lord Bathurst held the position during the whole of Lord Liverpool's prolonged Administration—from 1812 to 1827—and therefore occupies no small place in the earlier history of Canada. It was, however, an influence which did not appear greatly upon the surface of affairs, so that his name is not so familiar as that of many less important personages.

**The Address issued by the American Congress** on October 26th, 1774, and referred to in the text, was an extraordinary document. It is a little difficult to understand how a body which had denounced the Quebec Act in such unmeasured terms; which had stigmatised the Catholic faith in an equally strong manner; which had criticised severely the re-establishment of French laws; could issue a proclamation to the Canadians, urging them in the sacred name of liberty to unite their destinies with those of the Thirteen Colonies! But it was nevertheless done. The famous manifesto is addressed, "To the inhabitants of the

Province of Quebec. Friends and fellow-subjects," and continues as follows :

"What is offered to you by the late Act of Parliament (1774)? Liberty of conscience in your religion? No. God gave it you; and the temporal powers with which you have been and are connected firmly stipulated for your enjoyment of it. If laws, divine and human, could secure it against the despotic caprices of wicked men it was secured before. Are the French laws in civil cases restored? It seems so. But observe the cautious kindness of the Ministers who pretend to be your benefactors. The words of the statute are that those "laws shall be the rule until they shall be varied or altered by any ordinances of the Governor and Council." Is the certainty and lenity of the criminal law of England secured to you and your descendants? No. They are subjected to arbitrary alterations by the Governor and Council, and a power is expressly reserved of appointing 'such courts of criminal, civil, and ecclesiastical jurisdiction as shall be thought proper.'

"Such is the precious tenure of mere will, by which you hold your lives and religion. The Crown and its Ministers are empowered, so far as they could be by Parliament, to establish even the Inquisition itself among you. Have you an Assembly, composed of worthy men, elected by yourselves, and in whom you can confide to make laws for you, to watch over your welfare, and to direct in what quantity and in what manner your money shall be taken from you? No. The power of making laws for you is lodged in the Governor and Council, all of them dependent upon and movable at the pleasure of a Minister.

"Your Judges and your Legislative Council, as it is called, are dependent on your Governor, and he is dependent on the Secretary of the Crown in Great Britain. The legislative, executive, and judging powers are all moved by the nods of a Minister. Privileges and immunities last no longer than his smiles. When he frowns their feeble forms dissolve. Such a treacherous ingenuity has been exerted in drawing up the code lately offered to you that every sentence beginning with a benevolent pretension, concludes with a destructive power, and the substance of the whole, divested of its smooth words, is that the Crown and Min-

ister shall be as absolute throughout your extended province as the despots of Asia or Africa.

"Seize the opportunities presented to you by Providence itself. You have been conquered into liberty if you act as you ought. This work is not of man. You are a small people compared with those who, with open arms, invite you into a fellowship. A moment's reflection should convince you which will be most for your interest and happiness, to have all the rest of North America your unalterable friends or your inveterate enemies. The injuries of Boston have roused and associated every colony from Nova Scotia to Georgia. Your province is the only link wanting to complete the bright and strong chain of union.

"We are all too well acquainted with the liberality of sentiment distinguishing your nation to imagine that difference of religion will prejudice you against a hearty amity with us. You know that the transcendent nature of freedom elevates those who unite in her cause above all such low-minded infirmities. The Swiss Cantons furnish a memorable proof of this truth. Their union is composed of Roman Catholic and Protestant states, living in the utmost concord and peace with one another, and thereby enabled, ever since they bravely vindicated their freedom, to defy and defeat every tyrant that has invaded them. In order to complete this highly desirable union, we submit it to your consideration whether it may not be expedient for you to meet together in your several towns and districts and elect deputies, who afterwards, meeting in a Provincial Congress, may choose delegates to represent your province in the Continental Congress to be held at Philadelphia on the 10th of May, 1775.

"In the present Congress, beginning on the fifth of the last month, and continued on this day, it has been with universal pleasure, and an unanimous vote, resolved, that we should consider the violation of your rights by the Act for altering the government of your Province, as a violation of our own, and that you should be invited to accede to our Confederation which has no other object than the perfect security of the natural and civil rights of all the constituent members according to their respective circumstances, and the preservation of a happy and lasting connection with Great Britain on the salutary and constitutional prin-

ciples hereinbefore mentioned. For effecting these purposes we have addressed a loyal petition to His Majesty praying relief of our and your grievances, and have associated to stop all importations from Great Britain and Ireland after the first day of December, and all exportations to those Kingdoms and the West Indies after the tenth day of next September, until the said grievances are redressed.

"That Almighty God may incline your minds to approve our equitable and necessary measures, to add yourselves to us, to put your fate whenever you suffer injuries which you are determined to oppose, not on the small influence of your single province, but on the consolidated powers of North America, and may grant to our joint exertions an event as happy as our cause is just, is the fervent prayer of us, your sincere and affectionate friends and fellow-subjects,

By order of the Congress,  
HENRY MIDDLETON, President."

**Specious however as was the appeal** from Congress, and bitter as was its denunciation of a Power which had just beaten the French in their struggle for the possession of the continent, that of Baron D'Estaing, Commander of the French fleet, which eventually came to the rescue of the American revolutionary party, was still more so. Dated 28th October, 1778, it was eminently fitted to stir up the natural pride and antagonisms of the French heart. This document read as follows:

"I shall not ask the military companions of the Marquess de Lévis, those who shared his glory, who admired his talents and genius for war, who loved his cordiality and frankness—the principal characteristics of our nobility—whether there be other names in other nations among which they would be better pleased to place their own. Can the Canadians who saw the brave Montcalm fall in their defence—can they become the enemies of his nephews? Can they fight against their former leaders, and arm themselves against their kinsmen? At the bare mention of their names the weapons would fall out of their hands. I shall not observe to the ministers at the altars that their evangelical efforts will require the special protection of Providence to prevent faith being diminished by example, by

worldly interest, and by Sovereigns whom force has imposed upon them, and whose political indulgence will be lessened proportionately as those Sovereigns shall have less to fear.

"I shall not observe that it is necessary for religion that those who preach it should form a body in the State; and that in Canada no other body would be more considered, or have more power to do good than that of the priests, taking a part in the government, since their respectable conduct has merited the confidence of the people. I shall not represent to that people, nor to all my countrymen in general, that a vast monarchy having the same religion, the same manners, the same language, where they find kinsmen, old friends, and brethren, must be an inexhaustible source of commerce and wealth, more easily acquired and better secured by their union with powerful neighbours than with strangers of another hemisphere, among whom everything is different, and whose jealous and despotic sovereigns would, sooner or later, treat them as a conquered people, and doubtless much worse than their late countrymen, the Americans, who made them victorious. I shall not urge to a whole people that to join with the United States is to secure their own happiness, since a whole people, when they acquire the right of thinking and acting for themselves, must know their own interest. But I will declare, and I now formally declare in the name of His Majesty, who has authorized and commanded me to do it, that all his former subjects in North America who shall no more acknowledge the supremacy of Great Britain may depend upon his protection and support."

The fact that neither of these appeals to popular prejudice and patriotism were effectual, illustrates as no other fact could the importance of Sir Guy Carleton's policy, and the value of the Quebec Act in preserving Canada to the British Crown.

**The Proclamation issued to the Canadians** by General Washington was received by Arnold on September 25th, 1775, and promptly distributed. It was addressed to the inhabitants of Canada in the following terms:

"Friends and Brethren:

The unnatural contest between the English

colonies and Great Britain has now risen to such height, that arms alone must decide. The Colonies, confiding in the justice of their cause, and the purity of their intention, have reluctantly appealed to that Being in whose hands are all human events. He has hitherto smiled upon their virtuous efforts, the hand of tyranny has been arrested in its ravages, and the British arms, which have shone with so much splendour in every part of the globe, are now tarnished with disgrace and disappointment. Generals of approved experience, who boasted of subduing this great continent, find themselves circumscribed within the limits of a single city and its suburbs, suffering all the shame and distress of a siege, while the free-born sons of America, animated by the genuine principles of liberty and love of their country, with increasing union, firmness, and discipline, repel every attack, and despise every danger.

Above all we rejoice that our enemies have been deceived with regard to you. They have persuaded themselves, they have even dared to say, that the Canadians were not capable of distinguishing between the blessings of liberty, and the wretchedness of slavery; that gratifying the vanity of a little circle of nobility would blind the people of Canada. By such artifices they hope to bend you to their views, but they have been deceived; instead of finding in you a poverty of soul and baseness of spirit, they see with a chagrin equal to our joy that you are enlightened, generous, and virtuous; that you will not renounce your rights, or serve as instruments to deprive your fellow-subjects of theirs. Come, then, my brethren, unite with us in an indissoluble union; let us run together to the same goal. We have taken up arms in defence of our liberty, our property, our wives and our children; we are determined to preserve them or die. We look forward with pleasure to that day, not far remote we hope, when the inhabitants of America shall have one sentiment, and the full enjoyment of the blessings of a free government.

Incited by these motives, and encouraged by the advice of many friends of liberty among you, the Grand American Congress have sent an army into your province under the command of General Schuyler, not to plunder, but to protect you; to

animate and bring into action those sentiments of freedom you have disclosed, and which the tools of despotism would extinguish through the whole creation. To co-operate with this design, and to frustrate those cruel and perfidious schemes which would deluge our frontiers with the blood of women and children, I have detached Colonel Arnold into your country with a part of the army under my command. I have enjoined it upon him, and I am certain that he will consider himself, and act, as in the country of his patrons and best friends. Necessaries and accommodations of every kind, which you may furnish, he will thankfully receive and render the full value. I invite you, therefore, as friends and brethren, to provide him with such supplies as your country affords, and I pledge myself not only for your safety and security, but for an ample compensation. Let no man desert his habitation. Let no one flee as before an enemy.

The cause of America and of liberty is the cause of every virtuous American citizen; whatever may be his religion or descent, the United Colonies know no distinction but such as slavery, corruption, and arbitrary dominion may create. Come, then, ye generous citizens, range yourselves under the standard of general liberty, against which all the force and artifices of tyranny will never be able to prevail!

(Signed) GEORGE WASHINGTON."

**The financial aid given by France** to the Thirteen Colonies was very considerable, amounting to nearly nine million dollars. On the application of the United States to France, in 1793, for a loan of six million livres, it was agreed that the financial relations of the two countries should be specified, and the money received by the United States, whether as loans or as gifts, scheduled in due form. The following was the result:

Amount set forth...	18,000,000 livres or \$3,600,000
Loan by Holland,	
guaranteed by	
France.....	10,000,000     "     2,000,000
Loan of 1783.....	6,000,000     "     1,200,000
Total.....	34,000,000 livres or \$6,800,000
This amount the United States undertook to	

repay. The second item was the amount given by France for which no payment was demanded, and previous to the treaty of alliance—

1778..... 3,000,000 livres or \$ 600,000  
1786..... 6,000,000 " 1,200,000

Total..... 9,000,000 livres or \$1,800,000

**Guy Carleton, Lord Dorchester**, who was mainly instrumental in saving Canada to the Crown in 1776, was born in Cornwall in 1725, and at an early age entered the army. He accompanied Wolfe to Quebec, and was promoted to a Brigadier-Generalship after the second battle of the Plains. In 1767, on the departure of General Murray for England, the Government devolved on Carleton, who made himself greatly liked by the French. The Quebec Act of 1774 was his handiwork, and the neutrality of the French-Canadians during the Montgomery invasion the general result. In 1777 he retired, upon the appointment of Burgoyne, and returning to England was knighted by the King. He succeeded Clinton in 1782 as Commander-in-Chief of the forces in America, and, in the evacuation of New York which followed, did much for the Loyalists and their settlement in Canada. In 1786 he was created Baron Dorchester, and given a pension of £1,000 by Parliament, and later in the same year was again appointed Governor-General of Canada. There he remained for ten years. He died in 1808. Of his services during the American invasion Sir James Le Moine declares that "Had the fate of Canada on that occasion been confided to a Governor less wise, less conciliating than Guy Carleton, doubtless 'the brightest gem in the Colonial crown of Britain' would have been one of the stars of Columbia's banner, and the star-spangled ensign would now be floating on the summit of Cape Diamond."

On May 11th, 1790, General Henry Knox, Secretary of War, communicated to the United States Congress a Report of troops, including militia, "furnished by the several States during the War of the Revolution," which was afterwards published in the 12th volume of the American State Papers.

In September, 1776, according to the figures thus given, quotas were fixed by Congress for three years, or during the war:

State.	Quota Required.	Troops Furnished.	Strength of the Regular or Continental Army.	
			Year.	Troops.
New Hampshire	10,194	6,653	1775	27,443
Massachusetts	52,728	38,091	1776	46,901
Rhode Island	5,694	3,917	1777	34,820
Connecticut	23,336	21,142	1778	32,899
New York	15,734	12,077	1779	27,694
New Jersey	11,396	7,534	1780	21,015
Pennsylvania	40,416	19,689	1781	13,292
Delaware	3,974	1,778	1782	14,256
Maryland	26,608	13,275	1783	13,476
Virginia	48,522	20,491	.....	.....
North Carolina	23,994	6,129	.....	.....
South Carolina	13,932	4,348	.....	.....
Georgia	3,974	2,328	.....	.....
	280,502	157,452		
Add Continental Troops for year 1775		27,443		
Add Continental Troops for year 1776		46,901		
		231,796		231,796

The number of Continental troops from New England was therefore 118,350; from the Middle States, 54,116; and from the Southern States, 59,330. Of course, there were not 231,796 different individuals really enlisted, because the army at its strongest consisted of only 46,901 men. As is well known, the same soldier enlisted once, twice, and in some cases thrice.

The British Parliament in 1783 commenced to deal with the claims of the Loyalists and by the time an award was made, through the Commissioners then appointed, the claims passed upon numbered 3,225, valued at £10,358,413. Of these 553 were not pressed, 38 were withdrawn, and 343 disallowed. Of the 2,291 claims investigated and amounting to £8,216,126 only £3,886,087 sterling, or \$18,912,294, were eventually found to be fully proven and accordingly paid. This was, however, a pretty large sum when added to the general cost of the war and the voluntary surrender of valuable territory.

## THE UNITED EMPIRE LOYALISTS

BY

LIEUT.-COLONEL GEORGE T. DENISON, F.R.S.C.

THE United Empire Loyalists were the founders of this Province of Ontario, and their ideas and actions have had a great influence upon the affairs of this country. Their history has never been thoroughly written. A most valuable and important work on the subject is from the pen, not exactly of an enemy, but of an adherent of the opposite view, a citizen of the United States and a strong supporter of the revolution and the revolutionary ideas. This author, Lorenzo Sabine, has explained the cause of the difficulty of writing a complete history of the Loyalists. He says: "Of the reasons which influenced, of the hopes which agitated, and of the miseries and rewards which awaited the Loyalists, but little is known. The reason is obvious. Men who, like the Loyalists, separated themselves from their friends and kindred, who are driven from their homes, who surrender the hopes and expectations of life, and who become outlaws, wanderers, and exiles, such men leave few memorials behind them. Their papers are scattered and lost, and their very names pass from human recollection."

In the space of a short paper I can only touch lightly upon the striking points in the career of these men, and give a brief general idea of the principles which animated them, the sacrifices they made, the sufferings they endured and the lessons they have handed down to us, their descendants. It would be quite impossible for me to detail all the various causes that led to the conflict between the American colonies and the mother country. There can be no doubt that there were many grievances and many just grounds of complaint. The legislation of the Imperial Parliament was all in the interest of the mercantile classes of England, and restrictions of the most harassing nature crippled the trade

and enterprise of the growing colonies. The precedence given to the Established Church was a source of annoyance; the distribution of public offices almost altogether amongst those of English birth, to the neglect and exclusion of native talent in civil life, naturally irritated the colonial classes; while the denial of promotion to officers of distinguished military ability, as well as the studied insult of allowing a captain in the "regulars" to rank and to command a colonel in the "provincials" alienated many of the best and ablest defenders of the constitution.

In addition to these grievances, which affected the pride and sensitiveness of the colonists, Sabine says that there were no less than twenty-nine Acts of Parliament which restricted and bound down colonial industry. They forbade the use of waterfalls, the erection of machinery and looms and spindles, and the working of wood and iron. Colonial vessels were forbidden to engage in foreign commerce, and could only trade with England and her possessions. The merchants and ship-owners were the first persons in America who set themselves in array against the measures of the Ministry. They demanded the free navigation of the ocean, and but for the refusal of this right and the right to use the waterfalls of New England the dispute might have been almost indefinitely postponed. For years these laws affecting trade had been practically a dead letter. Up to 1763 nine-tenths, probably, of all the tea, wine, fruit, sugar and molasses consumed in the colonies were smuggled. A financial crisis in England, and the expenses caused by the long French war forced the Home Government, however, to take special steps to enforce the payment of the duties on goods imported into the colonies in order to help pay the enormous cost of a war which had been



fought principally in the interest of the colonies.

Twelve ships of war were sent to Boston to be employed in the revenue service. The merchants of the sea-ports were roused to preserve their business. The contest soon waxed hotter. Lawyers, who had espoused the cause of the shippers in the ordinary course of professional duty, became the most active advocates of the revolutionary cause. One quarter of the signers of the Declaration of Independence were engaged in trade or in the command of ships, and some of them were smugglers. Hancock, who was the first

the empire, and who fought on that side during the revolutionary war; were known then and since as the United Empire Loyalists. Their sufferings and losses began long before the actual commencement of civil war.

Lawless mobs attacked unoffending and peaceable citizens simply because they desired to obey the law, or to remain neutral in the discussion. Numbers were tarred and feathered, their property destroyed, their houses burned. As early as 1764 a mob attacked the house of Robert Hallowell, tore down his fence, broke his windows, destroyed his furniture, stole his money, scattered his books and papers, and drank the wines in his cellar to drunkenness. In 1768 another mob so brutally injured him that for a time his wounds seemed mortal, while, in 1774 his brother Benjamin was pursued by 160 men on horseback and with difficulty escaped. Another mob of 500 attacked Sheriff Tyng; 1,000 lawless rebels shut up the courts of law in Berkshire; 5,000 did the same in Worcester; judges were insulted and threatened, hissed and hooted. David Ingersoll was seized by a mob and imprisoned, his house attacked and his property destroyed. Josiah Edson, described by Sabine as "a respectable virtuous man," and "that old simplicity of Edson," was driven from his home by a mob and compelled to go to Halifax. Chief Justice Ropes was attacked in his house while on his deathbed, and his dying moments were passed to the requiem of the shouts of "Sons of Liberty," the smashing of his furniture, and the crash of his broken windows. General Ruggles had his cattle painted, shorn, maimed and poisoned. He was pursued on the highway by day and night, his dwelling broken into, and he and his family driven from it. Colonel Saltonstall refused to enter the service of the Crown, but could not conscientiously advocate rebellion. He was driven from his home by mobs and went into exile. Leonard was fired at while in his own house. Israel Williams, old, feeble and infirm, was taken from his house by a mob at night, and carried several miles, put in a room with a fire, when the doors and the top of the chimney were closed and he was kept several hours in the smoke, and only released on signing a paper dictated by his tormentors. Ladies also were insulted, pelted and



Lieut.-Colonel George T. Denison.

to sign, was, at the outbreak of the revolution, the defendant in suits brought by the Crown to recover nearly \$500,000 of penalties for wilful infractions of the law. The indications of the coming storm continued from 1763 until the outbreak of hostilities in 1775. Those colonists who obeyed the laws and strove to uphold them; who were true to their allegiance and to constituted authority; who valued their birthright as British subjects and hoped to retain it; whose great moving idea was to maintain the unity of



abused. All these outrages, it must be remembered, occurred before the outbreak of the revolution, or before 1775, and are only a few samples of what was going on all over the country.

In 1775 hostilities broke out, and then the treatment of the loyal men became much more cruel. In Rhode Island death and confiscation of estate were the penalties provided by law for any person who communicated with the Ministry or their agents, or who afforded supplies to the forces or piloted the armed ships of the King. In Connecticut the penalties were not so severe, three years' imprisonment and loss of estate being the punishment. In Massachusetts people suspected of loyalty to the sovereign could be arrested or banished unless they would swear fealty to the "Sons of Liberty." The State also banished by name 308 of her people. All the States passed laws against the loyal, the penalties often varying, but in all instances including confiscation of property. The above instances of cruelty to the U. E. Loyalists are taken from Sabine's work, and as a citizen of the United States, writing with a strong bias in favour of the revolutionary principles, he must be considered a good authority for a melancholy record of oppression and cruelty done in the name of freedom. In fact, the boasted struggle for liberty was closely mixed up with a desire on the part of the masses to rob and despoil those who had acquired property. Not only were known Loyalists banished and robbed, but in South Carolina 14 men were banished and deprived of their estates, because they were "obnoxious." No trials took place, no witnesses were called, no verdict of any court or jury given, and yet, in this way, peaceable citizens were deprived of their lands. Another historian states:

"The most hellish means were adopted at times to force away persons of property, that the so-called 'Sons of Liberty' might enjoy their substance and homes. Attending these scenes of desolation and refined cruelty, imprisonment and torture, were incidents of thrilling interest, of fearful suffering, of hair-breadth escapes, of forlorn rescues."

To show the idea of liberty and freedom held by the fathers of the Revolution, I quote an extract from a letter written from Amsterdam, 15th December, 1770, by Mr. John Adams, a signer of

the declaration of independence, a member of the secret committee of Congress, Ambassador from Congress to Holland, and afterwards second President of the United States:

"It is true, I believe, what you suggest, that Lord North showed a disposition to give up the contest, but was diverted from it, not unlikely, by the representations of the Americans in London, who, in connection with their coadjutors in America, have been thorns to us indeed, on both sides of the water, but I think their career might have been stopped on your side if the executive officers had not been too timid in a point which I so strenuously recommended at the first, viz.: To fine, imprison, and hang all inimical to the cause, without favour or affection. I foresaw the evil that would arise from that quarter, and wished to have timely stopped it. I would have hanged my own brother had he taken part with our enemy in the contest."

When so prominent a leader could advocate such atrocious treatment of law abiding citizens one does not wonder at the violence and outrages of the "Sons of Liberty" and other lawless elements which formed the great strength of the disloyal party. These cruelties and persecutions added bitterness and animosity to the struggle, and no doubt largely increased the number of native Americans who took up arms and fought through the war on the Royal side.

It is computed that at least 25,000 natives of the colonies served in the Loyalist ranks during the war. There is no necessity to refer here to the military operations, further than to state that the Loyalists did their full share in the fighting during the long seven years' struggle. As is well known the rebels succeeded, not through their own strength, but through the assistance of France, Spain, and Holland. France took the most prominent part, and her soldiers fought in the war. The retribution upon her government was quick and terrible. The ideas of lawlessness, liberty, and license gathered by the French soldiers through contact with the "Sons of Liberty" were carried home, and within ten short years an improved doctrine of universal liberty, equality, and fraternity was established in France under the perfect and accomplished freedom of the "Reign of Terror" with its

guillotine, its noyades, the "Republican marriages" of Carrier, and its massacres of innocent women and children. During the war the American Loyalists were banished and proscribed, and at its conclusion tens of thousands of the best people in the colonies left, or were driven into exile. Large numbers went to Nova Scotia and New Brunswick, and some went to England, while Ontario, then a wilderness, received its first settlers in the thousands of loyal fighting men of the Revolution who came and settled in the Niagara district, and by the Bay of Quinte, and along the shores of the St. Lawrence. I take from Mr. William Kirby's address on the U.E. Loyalists a few extracts showing the class of men who thus left the colonies at the conclusion of the war:

"It is estimated that at the close of the war a hundred thousand loyalist Americans left the port of New York alone. The world had not seen such flight of the best elements of the population of any country since the exile of the Huguenots from France, over a century before. The fugitive Loyalists, who left their native country, were dispersed all over the Empire. Many went to Great Britain, many to the West Indies, many to the wilds of New Brunswick and Nova Scotia, and thousands came to Canada (Ontario).

Upwards of ten thousand of the best people of New York and Pennsylvania found their way through the wilderness to this province, and amid privations, toils, and sufferings—the story of which is not yet forgotten—here set up their new homes in the forest, and courageously and cheerfully started life anew, and began the career of honour and felicity, which is our inheritance in Canada to this day.

Providence had great ends in view when it settled Canada with men of such heroic strain and of the purest blood of America. It has been cast as a reproach upon the U. E. Loyalists that they were largely the gentry and not the populace of American society. They formed, undoubtedly, the best and wealthiest class in the old colonies. But all classes were present among them, judges, lawyers, legislators, clergymen, soldiers, merchants, yeomen, and handicraftsmen. All filled the ranks of that great emigration. Christian men of all the churches were there, but not one infidel of the type of that arch traitor, Tom Paine. He belonged emphatically to the rebellion. The Loyalists came with their penates and household gods, their Bibles, the sacred communion vessels of their altars, the tables of the Ten Commandments from the chancels of their churches—these

sacred objects they brought with them out of their abandoned temples.

Here came the great body of the adherents of the Church of England, mainly under the lead of that good man, the Rev. Dr. John Stewart, who founded the first Episcopal churches in Upper Canada. Here came also the pious and zealous John Ashbury, and that godly woman, Barbara Heck, who, after founding Methodism in the city of New York, led a band of loyal Methodists to the Bay of Quinte, and there laid the foundation of the Methodist Church in Canada. The old Wesleyans, like their founder, John Wesley, were ever loyal to King and country, and, perhaps, because they were Methodists were also U.E. Loyalists when the day of trial came that proved the spirit of men to the uttermost, whether they were faithful or whether they were untrue to the sacred precept of Scripture, 'Fear God and honour the King.'

Here came also a numerous and gallant band of loyal Roman Catholics, led by their priests, the MacDonells from North Carolina and other southern States, Scottish Highlanders for the most part, who settled our district of Glengarry, and formed the nucleus of that Highland community so distinguished for its loyalty and valour in the subsequent history of Upper Canada.

Here, too, somewhat later came a great number of the peaceful Quakers and Mennonites of Pennsylvania. The fidelity of the Quakers to their lawful government drew upon them a cruel persecution from the rebels, who sustained their record by trying for high treason and hanging two of the most respectable Quaker gentlemen of Philadelphia, guilty of no other offence in the world but loyal adherence to their King and country. This persecution drove some of the Quakers into the army, who were among the hardest fighters in our forces during the revolutionary war. The Quakers bore with characteristic patience the persecution of their enemies, but they flocked into Canada after the peace to enjoy the protection of English law, and live in allegiance to their native Sovereign."

The Pilgrim Fathers, a few in number, came to America leisurely, bringing with them all their goods and the price of their possessions, at peace, and secure under charter granted by their Sovereign. The U.E. Loyalists, unlike them, came to Canada bleeding with the wounds of seven years of war, stripped of every earthly possession, and exiled from their native land. From Sabine we get the character of their opponents, the men who took the disloyal side,

raised the standard of rebellion, and drove the Loyalists from their homes. His comments are very striking and severe. As an American author his testimony is most important, and I will quote his own words:

"Avarice and rapacity were seemingly as common then as now; indeed, the stock jobbing, the extortion, the forestalling, the low arts and devices to amass wealth that were practised during the struggle are almost incredible. Washington mourned the want of virtue as early as 1775, and averred that he 'trembled at the prospect.' Soldiers were stripped of their miserable pittance that contractors for the army might become rich in a single campaign. The traffic carried on with the Royal troops was immense. Men of all descriptions finally engaged in it, and those who at the beginning of the war would have shuddered at the idea of any connection with the enemy pursued it with avidity. The public securities were often counterfeited, official signatures were forged, and plunder and robbery openly indulged in. Appeals to the guilty from the pulpit, the press, and the halls of legislation were alike unheeded. The decline of public spirit, the love of gain of those in office, and the malevolence of faction became widely spread, and in parts of the country were uncontrollable.

The useful occupations of life and the legitimate pursuits of commerce were abandoned by thousands. The basest of men enriched themselves, and many of the most estimable sunk into obscurity and indigence. There were those who would neither pay their debts nor their taxes. The finances of the state and the fortunes of individuals were, to an alarming extent, at the mercy of gamblers and speculators. . . . There were officers, destitute alike of honour and patriotism, who drew large sums of public money under pretext of paying their men, but applied it to the support of their own extravagance; who went home on furlough and never returned, and who, regardless of their word as gentlemen, violated their paroles; who were threatened by Washington with exposure in every newspaper in the land, as men who had disgraced themselves, and were heedless of their associates in captivity whose restraints were increased by their misconduct. At times courts-martial were continually

sitting, and so numerous were the convictions that the names of those who were cashiered were sent to Congress in lists. 'Many of the surgeons,' are the words of Washington, 'are very great rascals, countenancing the men to sham complaints to exempt them from duty, and often receiving bribes to certify indispositions, with a view to procure discharges or furloughs'; and still further, he declares they used public 'medicines and stores in the most profuse and extravagant manner for private purposes.' In a letter to the Governor of a State, he affirmed that the officers who had been sent him therefrom were 'generally of the lowest class of the people,' that they 'led their soldiers to plunder the inhabitants, and into every kind of mischief.' To his brother, John Augustine Washington, he declared that the different States were nominating such officers as were 'not fit to be shoeblacks.'"

How great the contrast between the adherents of the opposing parties! How vast was the difference between the loyal and the disloyal! We Canadians should thank God that our country was founded by so grand a type of men as the U.E. Loyalists. We are reaping the benefit of their honest character and lofty aims to-day. The U.E. Loyalists, therefore, came to Canada, having lost everything, and, leaving the homes of their ancestors and the graves of their dead, they plunged into an unbroken wilderness. The hardships and sufferings they endured for years seem almost incredible. They were supplied by the Government with a few of the most indispensable tools, such as axes, saws, sickles, etc., and for a time received issues of rations. Dr. Canniff, in his *History of the Settlement of Upper Canada*, describes the details of the arrangements very fully. The Loyalists settled near one another in groups and thus was initiated the "institution" of "bees." Each with his axe on his shoulder turned out to help the other, and in this way the humble log shanties were built. The trees were labouriously cut down with ship axes, which were not suited for the work. Split logs furnished the floors of the little cabins, and the clumsiest kind of furniture, roughly made out of split wood, served many who had been nurtured in comfortable homes amid all the conveniences of a refined and cultivated civilization.

Their progress toward comfort was slow and labourious. There were no villages, no shops, no posts, no newspapers, no roads, no churches, no schools, none of the conveniences, and hardly any of the necessities of life. Although later settlers who arrived after a few years had passed, underwent great hardships, they were infinitely better off than the gallant band of U.E. Loyalists who had to break the first openings in the forest. It is recorded, and it is a touching illustration of the feeling of the Loyalists, that in the early days it was a common practice to sing "God Save the King" together before going to rest. The Pilgrim Fathers were able at the end of their first year to keep a "harvest home," but it was years before the Loyalists had means to keep any such festival. In fact, their third or fourth year was the worst of all. The winter of 1787-8 is known as the "scarce" or "hungry" year, and the sufferings of the refugees during that period were universal and terrible. The pinch of famine was everywhere felt. Cornmeal was meted out by the spoonful. Wheat flour was unknown, and millet seed was ground for a substitute. One man sent money to Quebec for flour; his money was sent back, as there was no flour. Wheat bran, bought at a dollar a bushel, was made into a kind of stir-about and greedily eaten. Indian cabbage, a plant with a large leaf, and ground nuts, were also used. When potatoes could be had the eye alone was planted, the rest being reserved for food.

One of the little daughters of a settler, in her extreme hunger, dug up some of the potato rind and ate it. Her father caught her, and seizing her arm to punish her, found her arm so emaciated with hunger that his heart melted with pity for his starving child. The majority of the settlers had no salt, and game and fish, when caught, were eaten without it. When the buds on the trees began to swell in the spring, they were gathered and eaten. The bark of certain trees was stripped off and eaten. One family lived for a fortnight on beech leaves. Some of the settlers were killed by eating poisonous roots, and some died of starvation. In one township on a southern slope people came from far and near to a field of early wheat to eat the milk-like heads of grain as soon as they were sufficiently grown. One family lived for months on boiled oats. Beef and

mutton were unknown for many years. Once when an ox was accidentally killed, the neighbors were invited for 30 or 40 miles around to taste an article of diet so long unknown. Tea, now considered an indispensable luxury in every family, was quite beyond the reach of all for a long time, because of its scarcity and high price, and for a while, until they had learned to make maple sugar, they were without sugar of any kind.

Under such hardships, toiling incessantly from year's end to year's end, the Loyalists slowly began to secure a few home comforts around their humble shanties in the lonely clearances. Their families grew up and increased, and after 1793 a few new settlers began to arrive. Some came from the mother country, and still more from the United States. The province slowly progressed, till in 1812 the population had increased from its first settlement of probably 15,000 to about 70,000. The year opened with the mutterings of war. Once more their old enemy was preparing to attack them, to conquer, if possible, their country, and to deprive them of their flag and their allegiance, and that connection with the Empire for which they had made such immense sacrifices, and suffered such cruel hardships. Once again they had to take up arms to defend the little homes so labouriously carved out of the forest. The quarrel was none of their making. The orders in council of the Imperial Government, which were made the pretext of a war commenced really for aggression and conquest, were at once repealed, but still the contest was forced on us.

Before the war, American emissaries were busily engaged in preparing the way for an expected easy conquest. Joseph Willcocks, the then leader of the Opposition, and Benjamin Mallory, a Yankee settler, were the moving spirits on the disloyal side in the House of Assembly of Upper Canada, and took every step to embarrass General Brock in his preparations for the defence of the province. They continued the policy of obstruction till the war broke out, when they deserted to the enemy, Willcocks taking up arms and commanding a corps in the Yankee army. Mallory was major in the same corps. Willcocks was killed in action in 1814 at Fort Erie fighting against Canada. Although, as we see, there were even then a few traitors, the old Loyalists and their sons turned

out everywhere in defence of their country. The odds were enormous, the invasions constant, and in apparently overwhelming numbers. It is not necessary here to enter into any account of the war of 1812, further than to say that through the united determination and bravery of the U. E. Loyalists, and other true Canadians, aided by the British troops, some twelve or thirteen distinct invasions of large armies were driven back in confusion across the border, and that after three years of incessant war, the enemy did not hold one inch of Canadian territory. The fighting was desperate, and our whole frontier is dotted over with battle fields, in which lie the bones of our loyalist fathers, who died for the independence of Canada and the unity of the Empire.

This war proved that the Canadian people did not intend that their country should be conquered by any foreign power, or that they should lose the monarchical institutions which they valued so highly. This should have taught strangers and new comers, that if they admired the republican institutions of the United States, it was their duty to go where their fancies would be gratified, and not to settle among a people who had so emphatically declared their love and affection for a different system. After the war of 1812, Canada had peace for twenty-five years. Emigrants from the old world came to Canada or to the States, as their predilections guided them; the loyal British subjects coming to Canada, valuing their allegiance and their flag more than the greater facilities for getting rich in the republic to the south. Men who did not have these sentiments, and who were without fixed principles, tempted by the greater opportunities in the States, went there, and so by a kind of natural selection the different types have been separated, and have grown side by side together on this continent.

In 1837, the descendants of the Loyalists

and their loyal comrades and fellow-Canadians were obliged to once more take up arms in defence of the same idea. This time the trouble came from within. A stranger named Mackenzie, a dissatisfied Scotchman, found fault with everything in Canada, its system of government and methods of administration. Although there were then grievances which have long since ceased to exist, and although all constitutional means had been unsuccessfully employed to redress them, and although he had many sympathizers, yet the instant he raised the standard of revolt, the Canadian people replied so clearly and emphatically that the result should have proved conclusively that under no circumstances would they accept Republican principles or approve of any movement hostile to the independence of the Provinces upon this continent and their union with the Empire of Great Britain. For two years they had to resist attacks all along the border, fostered and encouraged by our neighbours. These attacks were sternly resisted and put down, and peace was again restored.

In 1866, Canadian lives once more had to be sacrificed for the defence of our borders from Fenian attacks, organized in the United States. Canadians have therefor never yet failed to show their confidence in their country, their love for its institutions, and their determination to uphold the honour and autonomy of their native land. Canada has been assailed, not only by armed men, but trade restrictions and hostile tariff laws have also been used to coerce the Canadian people from their steadfast adherence to the principles for which their fathers fought and suffered. In spite of it all they have been true to their country, and they will in the future, as in the past, suffer hardships and trials, and rise unitedly and loyally for the defence of their native land should the occasion ever require it.

**The migration of the Loyalists** will some day come to be recognized as one of those movements which have changed the course of history. It will be acknowledged as not less significant and far-reaching in its results than the landing of the Pilgrim Fathers. It has been said by a Canadian writer that they brought to the making of Canada about 30,000 people of the choicest stock the American colonies could boast. They were an army of leaders, for it was the loftiest heads which attracted the wrath of the revolutionists. The most influential judges, the most distinguished lawyers, the most highly educated of the clergy, the members of Council of the various colonies, the Crown officials, people of culture and social distinction; these, with the faithful few whose fortunes followed theirs, were the Loyalists. Canada owes deep gratitude indeed to her southern kinsmen, who thus, from Maine to Georgia, picked out their choicest spirits and sent them forth to people her northern wilds.

**The Governor-General, Sir Guy Carleton**, was the chief mover in the work of rescuing those who had been thus driven from their homes, but Governor Haldimand, in Quebec, and Governor Parr, in Nova Scotia, lent effective aid. It was decided that the refugees should be located in Western Canada, in Nova Scotia, and on the Island of St. John; that they should be given grants of land according to their rank and standing, in extent from one hundred acres up to several thousand; and that they should be fed by the Government till their lands should begin to make return. The Loyalists of the Atlantic coast gathered in the seaport towns, where ships were speedily provided. Others, dwelling inland, were directed to make their rendezvous at Niagara, Sackett's Harbour, Oswego, and the foot of Lake Champlain. In the years 1783-4 the great exodus took place, and the Loyalists flocked across the border into the land which they and their descendants have made great. They divided into two main streams, one moving eastward to the Maritime Provinces, the other flowing westward to the region north of the Lakes.

From 1783 to 1790 the British Government kept commissioners at work enquiring into the claims of the Loyalists and granting them partial

indemnities. The total amount paid out by Great Britain in this way was nearly \$19,000,000, which does not include the value of the general land grants, implements, and supplies of food which were issued. The sons of the Loyalists, on coming of age, were entitled to certain grants and privileges. In 1789, therefore, was compiled that roll of honour known as the United Empire List, consisting of the names of all the Loyalists who had fled out of the republic during the previous five years. These were to be known thenceforward as the United Empire Loyalists, and after their names they were entitled to place the letters U.E.L.

All the northern shore of Lake Ontario was thus more or less occupied, as well as the fruitful country—the garden of Canada—which forms a sort of peninsula lying between Lakes Erie and Huron. Many of the Hudson River Loyalists, Sir John Johnson's disbanded "Royal Greens," and the Mohawks who had so faithfully adhered to the cause under their great chief, Joseph Brant, settled along the St. Lawrence shore between Fort Frontenac and Montreal, and soon filled up the country now known as "the Eastern Townships," and still forming a distinctive English portion of the Province of Quebec. For reasons connected with a lack of the self-government to which they had been accustomed, and to the fact that Sir Frederick Haldimand discouraged settlement so near the frontier, many of them emigrated later into the upper lake districts.

**There were many corps and regiments** of Loyalists taking part in the Revolutionary war, whose members had, in the main, been born and bred in the Thirteen Colonies. Amongst them were the King's Rangers, the Royal Fencible Americans, the Queen's Rangers, the New York Volunteers, the King's American Regiment, the Prince of Wales' American Volunteers, the Maryland Loyalists, De Lancey's Battalions, the Second American Regiment, the King's Rangers, Carolina, the South Carolina Royalists, the North Carolina Highland Regiment, the King's American Dragoons, the Loyal American Regiment, the American Legion, the New Jersey Volunteers, the British Legion, the Loyal Foresters, the Orange Rangers, the Pennsylvania Loyalists, the Guides



and Pioneers, the North Carolina Volunteers, the Georgia Loyalists, the West Chester Volunteers. These corps, according to Dr. Canniff, were all commanded by colonels or lieutenant-colonels, and as DeLancey's battalions and the New Jersey Volunteers consisted each of three battalions, there were altogether twenty-eight of them. To these, the Loyal New Englanders, the Associated Loyalists, and the Wentworth Volunteers, might be added. Still further, Colonel Archibald Hamilton, of New York, commanded at one period seventeen companies of loyal militia.

It should be remembered in connection with the Loyalist period and history, that for more than a century the press of the dominant and victorious faction in that struggle—the entire literature of a great people—has teemed with misrepresentation and calumny. The newspapers and school books, histories and biographies, have assiduously taught that “the Tories” of the Revolution were only worthy of popular and international execration. In the British Isles, and even in Canada, for a brief period, these teachings were frequently accepted as accurate. The facts are exactly the reverse, and the United Empire Loyalists are now recognized by all who understand the history of their times as having been patriots who sacrificed homes and property, and sometimes life itself, for principle and honour, just as sincerely as did many of the rebels who fought for liberty and self-government. Englishmen like Sir Walter Besant, or Sir Edmund Monson, who have gone out of their way to justify or to praise Washington and his compatriots, should not have allowed nineteenth century ideas to cloud their appreciation of eighteenth century principles of right and wrong.

To this American view there were, of course, some exceptions, and Professor Hosmer, in his “Life of Henry Adams,” declares that “The Tories were generally people of substance; their stake in the country was even greater than that of their opponents, their patriotism was no doubt to the full as fervent. There is much that is melancholy, of which the world knows little, connected with their expulsion from the land they loved sincerely. The estates of the Tories were among the fairest, their stately mansions stood

on the sightliest hill-brows, the richest and best tilled meadows were their farms. The long avenue, the broad lawn, the trim hedge about the garden, servants, plate, pictures, the varied circumstances, external and internal, of dignified and generous housekeeping—for the most part these things were at the homes of the Tories. They loved beauty, dignity, and refinement.”

So with the modern British school of historical thought. The Rt. Hon. W. E. H. Lecky states with truth that in those days “There were brave and honest men in America who were proud of the great and free empire to which they belonged, who had no desire to shrink from the burden of maintaining it, who remembered with gratitude the English blood which had been shed around Quebec and Montreal and who, with nothing to hope for from the Crown, were prepared to face the most brutal mob violence and the invectives of a scurrilous press, to risk their fortunes, their reputations, and sometimes even their lives, to avert civil war and ultimate separation. Most of them ended their days in poverty and exile, and as the supporters of a beaten cause, history has paid a scanty tribute to their memory. But they included some of the best and ablest men America has ever produced, and they were contending for an ideal which was at least as worthy as that for which Washington fought.”

The following verses by William Kirby, F.R.S.C., of Niagara, mark not only a high level of poetic patriotism, but illustrate the new and true conception of these national pioneers:

“The world goes rushing by  
The ancient landmarks of a nobler time,  
When men bore deep the imprint of the law  
Of duty, truth, and loyalty unstained  
Amid the quaking of a continent.  
Torn by the passions of an evil time,  
They counted neither cost nor danger, spurned  
Defections, treasons, spoils; but feared God,  
Nor shamed of their allegiance to the King.

To keep the empire one in unity  
And brotherhood of its Imperial race,  
For that they nobly fought and all but won,  
Where losing was to win a higher fame  
In building up our northern land to be  
A vast dominion stretched from sea to sea.

A land of labour but of sure reward,  
 A land of corn to feed the world withal,  
 A land of life's best treasures, plenty, peace,  
 Content and freedom, both to speak and do,  
 A land of men to rule, with sober law,  
 This Christian commonwealth, God's gift, to keep  
 This part of Britain's empire next the heart,  
 Loyal as were their fathers, and as free."

**The address presented to King George**, in 1789, by Sir William Pepperell, Bart., on behalf of the Agents of the American Loyalists is of historical interest :

"**MOST GRACIOUS SOVEREIGN:—**

Your Majesty's ever dutiful and loyal subjects, the Agents of the American Loyalists, who have heretofore been the supplicants of Your Majesty in behalf of their distressed constituents, now humbly beg leave to approach the Throne to pour forth the ardent effusions of their grateful hearts for your most gracious and effectual recommendation of their claims to the just and generous consideration of Parliament.

To have devoted their fortunes and hazarded their lives in defence of the just rights of the Crown, and the fundamental principles of the British Constitution, were no more than their duty demanded of them, in common with Your Majesty's other subjects, but it was their peculiar fortune to be called to the trial, and it is their boast and their glory to have been found equal to the task.

They have now the distinguished happiness of seeing their fidelity approved by their Sovereign and recompensed by Parliament, and their fellow-subjects cheerfully contributing to compensate them for the forfeiture their attachment to Great Britain incited them to incur, thereby adding dignity to their own exalted character among the nations of the world, and holding out to mankind the glorious principles of justice, equity, and benevolence as the firmest basis of empire.

We should be wanting in justice and gratitude if we did not, upon this occasion, acknowledge the wisdom and liberality of the provisions proposed by Your Majesty's servants, conformable to Your Majesty's gracious intentions for the relief and accommodation of the several classes of suffer-

ers to whose cases they apply ; and we are convinced it will give comfort to your royal heart to be assured they have been received with the most general satisfaction.

Professions of the unalterable attachment of the Loyalists to Your Majesty's person and government we conceive to be unnecessary ; they have preserved it under persecution, and gratitude cannot render it less permanent. They do not presume to arrogate to themselves a more fervent loyalty than their fellow-subjects possess ; but distinguished as they have been by their sufferings, they deem themselves entitled to the foremost rank among the most zealous supporters of the British Constitution. And while they cease not to offer up their most earnest prayers to the Divine Being to preserve Your Majesty and your illustrious family in the peaceful enjoyment of your just rights, and in the exercise of your royal virtues in promoting the happiness of your people, they humbly beseech Your Majesty to continue to believe them at all times, and upon all occasions, equally ready, as they have been, to devote their lives and properties to Your Majesty's service and the preservation of the British Constitution.

W. Pepperell, for the Massachusetts Loyalists.  
 J. Wentworth, for the New Hampshire Loyalists.  
 George Rowe, for the Rhode Island Loyalists.  
 Jas. De Lancey, for the New York Loyalists.  
 David Ogden, for the New Jersey Loyalists.  
 Joseph Galloway, for the Pennsylvania and Delaware Loyalists.

Robert Alexander, for the Maryland Loyalists.  
 John R. Grymer, for the Virginia Loyalists.  
 Henry Eustace McCulloch, for the North Carolina Loyalists.  
 James Simpson, for the South Carolina Loyalists.

William Know, for the Georgia Loyalists.  
 John Graham, late Lieutenant-Governor of Georgia, and joint agent, for the Georgia Loyalists.

**The final regulations governing** the grants of land to the Loyalists were made at a meeting of the Provincial Council in the council chamber at Quebec, on Monday, 9th November, 1789. There were present, according to the official report :

His Excellency the Right Honourable Lord  
 Dorchester,



The Honourable William Smith, Esquire, Chief Justice,

Hugh Finlay,  
Thomas Dunn,  
Edward Harrison,  
John Collins,  
Adam Mabane,  
J. C. C. Delery,

George Powell,  
Henry Caldwell,  
William Grant,  
Francois Baby,  
Chas. DeLanaudiere,  
Le. Cte. Dupre.

The document is signed by J. Williams, C.C.

"His Lordship intimated to the Council that it remained a question, upon the late Regulation for the disposition of the waste lands of the Crown, whether the Boards constituted for that purpose were authorized to make locations to the sons of Loyalists, on their coming to full age, and that it was his wish to put a mark of honour upon the families who had adhered to the unity of the empire, and joined the Royal Standard in America before the Treaty of Separation in the year 1783.

The Council concurring with His Lordship, it is accordingly ordered :

That the several Land Boards take course for preserving a registry of the names of all persons falling under the description aforementioned, to the end that their posterity may be discriminated from future settlers in the parish registers and rolls of the militia of their respective districts, and other public remembrancers of the Province as proper objects, by their persevering in the fidelity and conduct so honourable to their ancestors, for distinguished benefits and privileges.

And it is also ordered, that the said Land Boards may in every such case provide not only for the sons of those Loyalists, as they arrive to full age, but for their daughters also of that age, or, on their marriage, assigning to each a lot of two hundred acres, more or less, provided nevertheless that they respectively comply with the general Regulations, and that it shall satisfactorily appear that there has been no default in the due cultivation and improvement of the lands already assigned to the head of the family of which they are members."

In St. John, New Brunswick, the eighteenth day of May, is celebrated as the natal day of the city. On that day, in 1783, took place the landing of the Loyalists. The mouth of the St. John

River is a secure haven, but fenced about with grim and sterile hills which belie the fertile country lying inland. Hither, says Mr. Charles G. D. Roberts, in his History of Canada, came the ships of the refugees from New York, and all through the summer they continued to arrive. At the harbour mouth they built a city which they called Parrtown, in honour of Nova Scotia's Governor. Many went on through the rocky defile of the Narrows, and spread up the beautiful shore of the great river, a distance of eighty-four miles, to St. Anne's Point. Five thousand Loyalists came to St. John during this memorable summer. These were, for the most part, officers and men of disbanded regiments, who had fought bravely for the King—among them the famous Queen's Rangers,—and their temper toward the Maugerville settlers, who were known to have sympathized with the rebels, was by no means friendly. The Maugerville settlers were known as the "old inhabitants." Where these "old inhabitants" could show titles to their lands they were secure; but in other cases, where titles were not forthcoming, the Loyalists were very ready to seize the farms of the squatters in revenge for what they had themselves been forced to endure.

While the St. John River valley was thus filling up with strong settlers, and a busy city rising at the river's mouth, other Loyalist bands went to Nova Scotia, and to the fertile gulf province which still bore the name of St. John's Island. On the tidal meadows of the Bay of Fundy waters they settled, and at Digby, and along the Atlantic coast to eastward of Halifax; but their great settlement was made at Port Razior, near the southwest corner of the peninsula. Here was a superb and land-locked harbour which captivated the exiles. As it were in a night there sprang up on its shores a city of twelve thousand inhabitants, which took the name of Shelburne. But the site had been ill-chosen; Shelburne had nothing but its harbour. The country about was not fertile. There was nothing to nourish a town of such size and pretension. So the city which had sprung up like a gourd in a single night, withered as it were in a day. Its people scattered to Halifax and other parts of the Province, some even going up the St. Lawrence and westward to the Lake

region. And in three years from its sanguine foundation, Shelburne had dwindled to a small village. In some cases the very houses of this fleeting city were taken down and carried away, to be set up again at Yarmouth or Weymouth.

The Loyalists of the St. John River were no sooner settled than they demanded representation at Halifax. When this was refused by Governor Parr they at once agitated for a division of the province. In spite of the Governor's opposition this was granted, for they had strong friends in England; and in 1784 Nova Scotia was shorn of her great territory to the north of the Bay of Fundy. This region was erected into the province of New Brunswick, with Colonel Thomas Carleton, Sir Guy's brother, as its Governor. He was assisted by a Council of twelve members, and an elective Assembly of twenty-six representatives. Cape Breton, at the same time, was made a separate province, under Major DesBarres as Governor; and its capital was removed from Louisbourg to the new town of Sydney. About eight hundred Loyalists moved into Cape Breton, settling at Sydney, Louisbourg, St. Peters, and Baddeck, where during their first winter they suffered terribly from storm and famine. The existence of Cape Breton as a separate Province was brief. In 1820, it was re-absorbed in Nova Scotia.

Soon after the establishment of New Brunswick, Parrtown was incorporated as a city, and its name changed to St. John. Two years later (1786), the capital was removed to St. Anne's Point, eighty-four miles up the river, where the city of Fredericton was built. The main object of this removal was greater security from attack, the object which Villebon too, had sought, when he removed thither from Port Royal. It was also the Governor's purpose to escape from the distractions of a stirring commercial centre, which St. John very rapidly became. The Province of New Brunswick like its mighty sister, Ontario, was thus peculiarly a child of the Loyalists. It is estimated that the Loyalist migration brought not less than twenty thousand people into Nova Scotia, New Brunswick, and Prince Edward Island. In New Brunswick, the new comers so overwhelmingly outnumbered the old inhabitants that they gave their own character and type to the whole province. The result is naturally a strongly British population.

**The early Government of New Brunswick** was almost entirely composed of United Empire Loyalists. There were amongst these settlers very many men of great talent, who had occupied before the war, positions of influence in their native States. Chief Justice Ludlow had been a Judge of the Supreme Court of New York; James Putnam was considered one of the ablest lawyers in all America; the Rev. and Hon. Jonathan Odell, first Provincial Secretary, had acted as chaplain in the Royal army, practised medicine, and written political poetry; Judge Joshua Upham, a graduate of Harvard, abandoned the Bar during the war, and became a colonel of dragoons; Judge Isaac Allen had been colonel of a New Jersey volunteer corps, and lost an estate in Pennsylvania through his devotion to the Loyalist cause; Judge Edward Winslow, nephew of Colonel John Winslow, who executed the decree that expelled the Acadians from Nova Scotia, had attained the rank of colonel in the Royal army; Beverley Robinson had raised and commanded the Loyal American Regiment, and had lost great estates on the Hudson River; Gabriel G. Ludlow had commanded a battalion of Maryland Volunteers; Daniel Bliss had been a commissary of the Royal army; Judge John Saunders, of a cavalier family in Virginia, had been captain in the Queen's Rangers, under Colonel Simcoe, and had afterwards entered the Temple and studied law in London. He was appointed to the Council after the death of Judge Putnam.

**The following is an authoritative estimate** of the numbers and distribution of the Canadian Loyalist settlers:

Settlement on the St. Lawrence.....	4,487
Refugees reported by Colonel Morse in Nova Scotia, including the River St. John, New Brunswick, and Prince Edward Island.....	28,347
Cape Breton. 630 families.....	3,150
Total number given as being settled about Montreal, Chambly, St. John's and the Bay of Chaleurs.....	5,628
Estimated Ontario settlers.....	10,000

51,612

Some of those who settled on the St. Lawrence

and in the Eastern Townships afterwards migrated to Upper Canada or Ontario, and are probably included in the estimate for that part of the country.

The following Clause in the Treaty of Paris, in 1783, is that which provides for the protection of the Loyalists, and gives pledges which were never apparently intended to be kept :

"It is agreed, that the Congress shall earnestly recommend it to the Legislatures of the respective States to provide for the restitution of all estates, rights and properties which have been confiscated, belonging to real British subjects, and also of the estates, rights, and properties of persons resident in districts in the possession of His Majesty's arms, and who have not borne arms against the said United States, and that persons of any other description shall have free liberty to go into any part or parts of any of the Thirteen United States, and therein to remain twelve months unmolested in their endeavours to obtain the restitution of such of their estates, rights, and properties as may have been confiscated, and that Congress shall also earnestly recommend to the several States a reconsideration and revision of all acts or laws regarding the premises, so as to render the said laws or acts perfectly consistent, not only with justice and equity, but with the spirit of conciliation which, on the return of the blessings of peace, should universally prevail. And that Congress should also earnestly recommend to the several States that the estates, rights, and properties of such last-mentioned persons shall be restored to them, they refunding to any persons who may be now in possession the *bona fide* price (where any has been given) which such persons may have paid on purchasing any of the said lands, rights, or properties since the confiscation.

And it is agreed that all persons who have any interest in confiscated lands, either by debts, marriage settlements, or otherwise, shall meet with no lawful impediment in the prosecution of their just rights. That there shall be no future confiscations made, nor any prosecutions commenced against any persons, for or by reason of the part which he or they may have taken in the present war, and that no person shall on that account suffer any future loss or damage either in his person, liberty, or property, and that those who may be in confinement on such charges at the time of the ratification of the Treaty in America shall be immediately set at liberty, and the prosecutions so commenced to be discontinued."

Signed by John Adams, Benjamin Franklin, and John Hay, this Treaty was entirely and

absolutely disregarded so far as any fair treatment of the Loyalists was concerned. Persecution of every kind continued, confiscation in all the States was rampant, many thousands were literally driven out of the country. The debates upon the clause in the British House of Commons sufficiently indicate the fears which prevailed there, and the following extracts are historically valuable as throwing light upon the situation, and the subsequent grants of money and land.

Lord North, who had been Prime Minister during the twelve years which included the war period, observed :

"And now let me, Sir, pause on a part of the Treaty which awakens human sensibility in a very irresistible and lamentable degree. I cannot but lament the fate of those unhappy men, who, I conceive, were in general objects of our gratitude and protection. The Loyalists, from their attachments, surely had some claim to our affection. But what were not the claims of those who, in conformity to their allegiance, their cheerful obedience to the voice of Parliament, their confidence in the proclamation of our generals, invited under every assurance of military, parliamentary, political, and affectionate protection, espoused with the hazard of their lives and the forfeiture of their properties, the cause of Great Britain? I cannot but feel for men thus sacrificed for their bravery and principles—men who have sacrificed all the dearest possessions of the human heart. They have exposed their lives, endured an age of hardships, deserted their interests, forfeited their possessions, lost their connections, and ruined their families in our cause. Could not all this waste of human enjoyment excite one desire of protecting them from a state of misery with which the implacable resentment of the States has desired to punish their loyalty to their Sovereign and their attachment to their Mother Country?"

Mr. Secretary Townsend (afterwards Lord Sydney) said that "he was ready to admit that many of the Loyalists had the strongest claims upon the country, and he trusted, should the recommendation of Congress to the American States prove unsuccessful, which he flattered himself would not be the case, this country would feel itself bound in honour to make them full

compensation for their losses." Mr. Edmund Burke said that "At any rate it must be agreed on all hands that a vast number of Loyalists had been deluded by this country, and had risked everything in our cause; to such men the nation owed protection, and its honour was pledged for their security at all hazards." The Lord Advocate declared that "With regard to the Loyalists they merited every possible effort on the part of this country."

The Treaty recognizing the Independence of America could not be reversed, as an Act passed in the previous Session had expressly authorized the King and his Cabinet to make it. But it was denied that a treaty sacrificing the Loyalists and making the concessions involved had been authorized; in consequence of which an express vote of censure was passed by the Commons by a majority of seventeen. The Earl of Shelburne, the Prime Minister, resigned in consequence of this vote of censure, and it was nearly three months before a new Administration could be formed. Of course some of the quoted criticism was partisan, and certainly Mr. Burke, who had done so much to weaken the Government's hands during the war, had no right to speak of "deluding" the Loyalists.

**The Loyalists soon realized how far the promises of the Treaty of 1783 were to be observed.** In April, 1784, and in direct violation of the spirit of its conditions, the New York Legislature passed an "Act for the immediate sale of certain forfeited estates," enacting that they were to be paid for only in silver and gold. On the 12th of May another Act was passed, which after recapitulating every possible mode in which a Loyalist could have taken part in the war, enacted that all such found within the State should be adjudged guilty of misprision of high treason.

Further, it declared all such to be forever ineligible as voters, and disqualified from enjoying any legislative, judicial, or executive office. The same penalty was directed against all those who remained in New York during its possession by the British, or had joined or remained in their homes after the occupation of any place by the Royal troops. The design of this legislation was partly political, as it was considered by this

proceeding that all moderate men would be disfranchised, and thus an assurance obtained of the continuance in power of those who were then in possession.

Another Act was passed on the same day for the speedy sale of confiscated property. As all the vindictive laws passed during the war remained unrepealed, it was made impossible for a Loyalist to claim his property without serious risk. It was intended by those interested in retaining possession of the confiscated estates to make all attempt at their reclamation as difficult as possible.

**A few particulars regarding some of the Loyalist immigrants who prominently assisted in the making of Canadian history may be given here:**

Sir John Johnson, Bart., was the son of Sir William Johnson, first Baronet, also an interesting figure amongst the early British leaders in New York. Born on Nov. 5th, 1742, the former escaped from his home in the Mohawk Valley in 1776 with 200 other loyal subjects and came to Canada. He formed and commanded the King's Royal Regiment of New York during the war, and at its close became Superintendent-General of the Six Nation Indians, as well as Colonel-in-Chief of the six battalions of militia in the Eastern Townships. He had been knighted by the King in 1765, and succeeded to the baronetcy on his father's death in 1776. In 1797 he became a member of the Legislative Council of Lower Canada, where he also owned the Seigneurie of Argenteuil. One of the boldest, most spirited, and active Loyalists of the period, he died in 1830. In 1790 he had been nominated by Lord Dorchester as Lieut.-Governor of Upper Canada, but the Imperial Ministry thought it better to appoint Major-General Simcoe.

The Hon. William Smith, who accompanied Lord Dorchester to Canada in 1786 as Chief Justice, was born in New York in 1728. His father was a Provincial judge, and at the age of twenty-five he had himself become Chief Justice of New York. During the years preceding the war he seems to have endeavoured to remain neutral, and succeeded in retaining his estates until 1778, when he finally came over to the British

side. He then took up his residence in New York, where he was treated with every consideration, and at a later date won the complete confidence of Dorchester—then Sir Guy Carleton. With the British general he went to England after the Peace, and with him also he went to Canada four years later. Chief Justice Smith was the author of a "History of New York," which his son completed, and in 1775 he wrote an intimate friend of General Washington, outlining a Constitution for the Colonies very similar to that which was afterwards adopted, and for which Thomas Jefferson has obtained all the credit—or the reverse.

The Hon. Jonathan Sewell, LL.D., was born of an old Colonial family, in Cambridge, Massachusetts, in 1776, and was educated in England. He joined the Loyalist migration, and in 1785 settled in New Brunswick, studied law, and four years afterwards commenced to practise in Quebec. There he soon attained distinction, and in 1773 became Solicitor-General. In 1795 he was appointed Attorney-General and Judge of the Court of Vice-Admiralty. For seven years he was a member of the Provincial Legislature. From 1808 until 1829 he was Chief Justice of Lower Canada, and from the former date until 1838 President of the Executive Council. From 1809 until his death in 1839, he was also Speaker of the Legislative Council. Harvard University made him an honorary LL.D., and his abilities gave him a high place in the history of the period. Chief Justice Sewell's father, of the same name, was in Colonial days Attorney-General of Massachusetts, and a personal friend of John Adams. He was also a Loyalist emigrant, and for many years a Judge of the Admiralty Court in New Brunswick.

General Sir Charles Frederick Philipse Robinson, G.C.B., was a distinguished U. E. Loyalist, a son of Colonel Beverley Robinson, of New York, and a relative of Chief Justice Sir J. B. Robinson, of Upper Canada. In February, 1777, he became an Ensign in the Loyal American Regiment. He served through the Revolutionary War, at the capture of the West India Islands, and the siege of Fort Bourbon, in Martinique. In 1800, after four years' home service, he attained the rank of Lieut.-Colonel, and from 1812 to 1814 served in the Peninsular War. He commanded

a brigade at Vittoria, at the siege of San Sabastian, and at the Passage of the Nive. At the close of the French war he was sent to Upper Canada as Commander of the Forces, and for a year also administered the Government. In 1816 he became a Knight of the Bath, and from 1816 to 1821 was Commander of the troops in the West Indies. In 1838 he was made a G.C.B., in 1840 Colonel of the 39th Regiment, and in 1841 a full General. He died in 1852.

The Rt. Rev. and Hon. Charles Inglis, D.D., Bishop of Nova Scotia, was born in 1734, and became assistant Rector of Trinity Church, New York, in 1764. In 1777 he succeeded Dr. Auchmuty as Rector, and retired from force of circumstances in 1783, migrating with other Loyalists to Nova Scotia. During his ministration in New York he held a prominent place in the community, and strongly upheld the Royalist cause from the beginning. He answered Paine's "Common Sense" pamphlet in 1776, and, in spite of Washington's request when he entered the city, persisted in reading the prayers for the King and Royal family. He has stated that with one exception all the Episcopal clergy and missionaries remained faithful to the Crown, and no doubt his influence and example had much to do with the result. After a prolonged period of threatenings, violence—extending even to the burning of his Church and plundering of his home—he was compelled at last to leave New York. In 1787 he was appointed Bishop of Nova Scotia—the first Colonial Bishop in British dominions, and in 1809 became a member of the Provincial Council. His American estates had, of course, been confiscated. He died in 1809. One of his sons became Bishop of the Province, and a grandson was the well-known Major-General Sir John Eardley Wilmot Inglis.

Christopher Robinson, the founder of a well-known Canadian family, was of Yorkshire descent, and a kinsman of Colonel Beverley Robinson, of New York. When the Revolutionary war broke out he was a student at Williamsburg, Virginia, and promptly cast in his lot with the Loyalists, and received an Ensign's commission in the Queen's Rangers, then commanded by Colonel Simcoe. With this famous Regiment he served throughout the struggle, and at its close repaired

to the new Loyalist settlement on the St. John River in New Brunswick. In 1788 he removed to L'Assomption, Quebec, later on to Berthier, and in 1792 to Kingston, Upper Canada, where he lived for six years, and then removed to York (Toronto). He practised law, became a Benchman of the Law Society, and was for some years a representative of Lennox and Addington in the Provincial Assembly. The Hon. Peter Robinson, the Hon. William Robinson, and the Hon. Sir John Beverley Robinson, Bart., were sons of this Loyalist pioneer, and leaders in the early history of Upper Canada. Christopher Robinson died in 1798, shortly after moving to York. Colonel Beverley Robinson, who in pre-revolutionary days was the head of this family, organized the Loyal American Regiment, in which his son of the same name was Lieut.-Colonel. The former died in England in 1792, where he had been awarded £17,000 compensation. The latter was for many years member of the New Brunswick Council and commander of a local regiment. He died in 1816.

The Hon. Isaac Allen was born in 1741 in England, and migrated to Trenton, New Jersey, where he became a Judge of the Supreme Court of the Province. When the Revolution broke out, Judge Allen, who was an uncompromising Loyalist, took the command of a regiment of New Jersey volunteers, and served with them throughout the war. At its close he removed to Nova Scotia, and then to New Brunswick, where, in 1784, he was made a Judge of the Supreme Court, and appointed a member of the Executive Council of the Province. These positions he held until his death in 1806. His son, Captain John Allen, was for 36 years a member of the Local House of Assembly, and his grandson, Sir John Campbell Allen, was for a prolonged period Chief Justice of the Province.

**The United Empire Loyalists of the present day** have formed a number of organizations with the general objects of perpetuating British connection, preserving family records and traditions, collecting historical data, and associating together

a class who are numerically and influentially strong in nearly all the older provinces of the Dominion. There are four of these Loyalist Societies, and the names of the officers for 1897 are interesting as indicative of the important part taken in the public affairs of the Empire, as well as of Canada, by the descendants of the refugees of 1783. The Ontario United Empire Loyalist Association has the following officers:

President, George Sterling Ryerson, M.D., M.P.P.

Hon. Vice-Presidents: The Earl of Carnwath; The Hon. Sir Charles Tupper, Bart., G.C.M.G., C.B.; Sir Arthur L. Haliburton, G.C.B.; Sir Hugh G. Macdonell, K.C.M.G., C.B., British Minister at Lisbon; Sir Roderick W. Cameron, Knt.; Major-General C. W. Robinson, C.B.; Major Charles Crutchley, D.A.A.G.

Vice-Presidents: Lieut.-Colonel, the Hon. D. Tisdale, Q.C., M.P.; Allan McLean Howard; Mrs. J. D. Edgar; John A. Macdonell, Q.C.

Hon. Secretaries: W. Hamilton Merritt, Mrs. Margaret I. M. Clarkson.

The Officers of the Quebec Association are as follows:

President, The Hon. J. S. C. Wurtelc, D.C.L.

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## THE QUEBEC ACT OF 1774

BY

WILLIAM HOUSTON, M.A.

IT is impossible to obtain any clear idea of the motive, character, and effect of the Quebec Act of 1774 without taking into account the course of events which led on the one hand to the British conquest of French Canada in 1760-63, and on the other to the revolt of the British Colonies against the Mother Country, which culminated in the Declaration of Independence in 1776.

There was a marked difference between the ideals of those who founded the French Colony in the valley of the St. Lawrence, and those who founded the British Colonies along the Atlantic coast from Maine to Georgia. The leading objects of the French occupation of the country were to develop the fur trade, to evangelize the Indians, and to establish military rule over as large an area as possible. The main purpose of the British colonists was to make a home for themselves in the fertile wilderness, where they might be free from interference with their chosen mode of worshipping God. French colonial administration was centralized, bureaucratic, and systematic. British colonial administration was carried on in a number of local centres, with democratic freedom, and in a hap-hazard way. The policy of France was for a time successful, so far as acquisition of territory was concerned, and when Fort Duquesne was erected where Pittsburg now stands, it was apparently destined to be the threshold of a French territory of indefinite extent, stretching from the Gulf of Mexico through the valley of the Mississippi, the Ohio, and the St. Lawrence to the Atlantic ocean. The realization of this ideal would have hemmed the British colonies in between the Alleghany mountains and the Sea, and have forever prevented their expansion over half a continent and into the northern, middle, and western states of the future Union.

It is not necessary here to go into the details of the long struggle for supremacy in North America. The issue was virtually decided when Quebec was taken by Wolfe in 1759; the decision was emphasized by the surrender of Montreal and all Canada with it in 1760; and it was formally and permanently affirmed by the Treaty of Paris in 1763. The French plenipotentiary, during the negotiations which led to that treaty, warned the representative of Great Britain that the withdrawal of French influence from America would pave the way for the development of a tendency on the part of the British colonies toward political independence. Few historical predictions have ever been so completely or so swiftly fulfilled. The Stamp Act was passed in 1765 in the face of strong remonstrances from the colonies. In the following year it was repealed, but at the same time the right of the British Parliament "to bind the colonies in all cases whatsoever" was formally asserted by statute. An attempt was made in 1767 to collect taxation from the colonists through enforcement of the customs duties, but this also was resented and resisted. The people of the different colonies began to co-operate in their efforts to secure the successful assertion of their right to exemption from fiscal burdens imposed by a legislature in which they were not represented, and this led by rapid steps to the Revolutionary war. Of this long controversy the Canadian colonists, both British and French, were more than interested spectators, because but for it the Quebec Act of 1774 would, in all probability, have never been passed.

Canada, after the capitulation of Montreal, in 1760, remained under military administration until it was formally ceded to Great Britain by treaty three years later. How much territory was included in the cession has never been, and cannot now be, accurately defined, but it may



safely be assumed to have extended as far west as the Upper Mississippi and as far south as the Ohio. The articles of capitulation mention the forts situated on our frontiers on the side of Acadia, at Detroit, Michilimackinac, and other forts, but the description was no doubt purposely left vague by the Marquess de Vaudreuil, when he drew up the articles at his leisure, so as to have them ready for submission to General Amherst. Louisiana, on the Lower Mississippi, remained in the possession of France, and there was always a chance of enlarging that region at the expense of Canada when the time should come for fixing a definite boundary between them.

Military rule in Canada was terminated by the Royal Proclamation of 1763, which announced that Letters Patent, under the Great Seal of Great Britain, had been issued "to erect within the countries and islands ceded and confirmed to us by the said Treaty (of Paris, 1763), four distinct and separate Governments styled and called by the names of Quebec, East Florida, West Florida, and Grenada," and very shortly afterwards a commission was issued to General Murray appointing him "Captain-General and Governor-in-Chief in and over our Province of Quebec, in America," the boundaries of which, both in the proclamation and commissions were given as follows: "Bounded on the Labrador coast by the River St. John; and from thence by a line drawn from the head of that river through the Lake St. John to the south end of Lake Nipissing; from whence the said line, crossing the River St. Lawrence and Lake Champlain, in forty-five degrees of north latitude, from along the high lands which divide the rivers that empty themselves into the said River of St. Lawrence from those which fall into the sea; and also along the north coast of the Baie des Chaleurs, and the coast of the Gulf of St. Lawrence to Cape Rosieres; and from thence crossing the mouth of the River St. Lawrence by the west end of the Island of Anticosti, terminated at the aforesaid River St. John."

Governor Murray was authorized in the formula that had been in use for more than a century "to summon and call general assemblies of the freeholders and planters" of the new province, so soon as its "situation and circumstances"

would admit of so doing; to "constitute and appoint judges, and, in cases requisite, commissioners of *oyer and terminer*, justices of the peace and other necessary officers and Ministers for the better administration of justice and putting the laws into execution"; and to exercise the Royal prerogative of pardon, and at his own discretion, in all criminal cases, except those convicted of "treason and wilful murder." The laws for the enforcement of these regulations were, of course, British laws, but as a great majority of the people were entirely unacquainted with them, and as a large part of French Canada was left entirely outside of the Province of Quebec, it was quite obvious that the experiment of civil government was tried under conditions which made success impossible. General Murray seems to have acted with discretion, and to have devised a *modus vivendi*, which made the work of administration feasible, but of which it is impossible to give any accurate description. He was fortunate in having for his chief legal advisers two men of learning, ability, and common sense—Chief Justice Hey and Attorney-General Masères—but some system at once more definite in its form and more intelligible to the mass of the conquered and still alien *habitants* soon became an absolute necessity.

General Carleton succeeded General Murray as Governor, in 1776. As Sir Guy Carleton and as Lord Dorchester his personality is familiar to every student of Canadian history. He was endowed with an heroic temperament, a military genius, and a capacity for statesmanship which enabled him to render exceptionally important service to the British Empire. To him personally is mainly owing the repulse of the joint invasion of the Province of Quebec by Montgomery and Arnold in 1775, and there is good reason to believe that if the conduct of the campaign of reprisal in the following year had been entrusted to him instead of to General Burgoyne, Great Britain would have been spared the Saratoga humiliation. He had not been long in Canada before he saw the necessity of giving the Province a more definite boundary, and a more workable constitution. He saw also the danger, that, in the event of the quarrel between the Mother Country and the Colonies resulting in war, a successful effort might be made to induce the French population

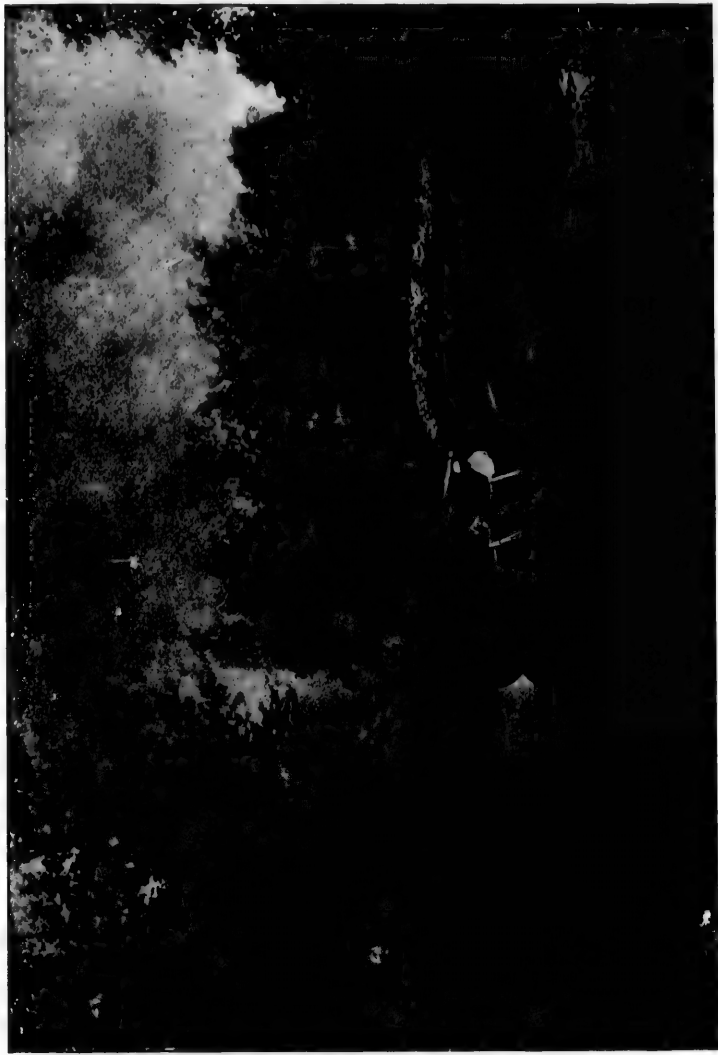
to cast in their lot with the revolutionists. The best way, in his opinion, to prevent such a catastrophe was to make the subject race reconciled to British rule by satisfying the reasonable desires of the people, and redressing as far as possible their unquestionable grievances. After making as thorough a study of the conditions as possible he returned in 1769 to England, which he never left until he had secured from Parliament the reforms in the constitution of the Province which he deemed necessary to its safety and prosperity. Though he was effectively aided by Chief Justice Hey, who accompanied him, and by the ex-Attorney-General, Baron Masères, who had preceded him on his retirement from office, it took four years to obtain the legislation he desired, and it might have taken a great deal longer had the fears of George III. and his Ministry not been at last thoroughly aroused by the rapidly approaching American crisis.

The incidents which led up to and accompanied the passage of the Quebec Act have fortunately been made abundantly accessible to the student of Canadian history, not merely through the preservation of original documents relating to it by Baron Masères and others, but also through the singularly accurate and interesting report of the Parliamentary progress of the Bill contained in the volume known as the "Cavendish Debates." From these sources of information it appears that at the cession of Canada the population of the ceded territory amounted to above 65,000. A few of these were Seigneurs under the feudal system introduced during the *régime* of Louis XIV., but the mass of the people was made up of tenants who were subject in a variety of ways to petty but irritating exactions and humiliations at the hands of their poverty-stricken over-lords. During the period between 1760 and 1774 the French population increased to about 150,000, while the British population, according to a census prepared with great care at the instance of Governor Carleton, amounted in 1770 to between 360 and 400 men, besides women and children. Even this small number was reduced by emigration before 1774. Practically all the British were Protestants; all the French were Roman Catholics.

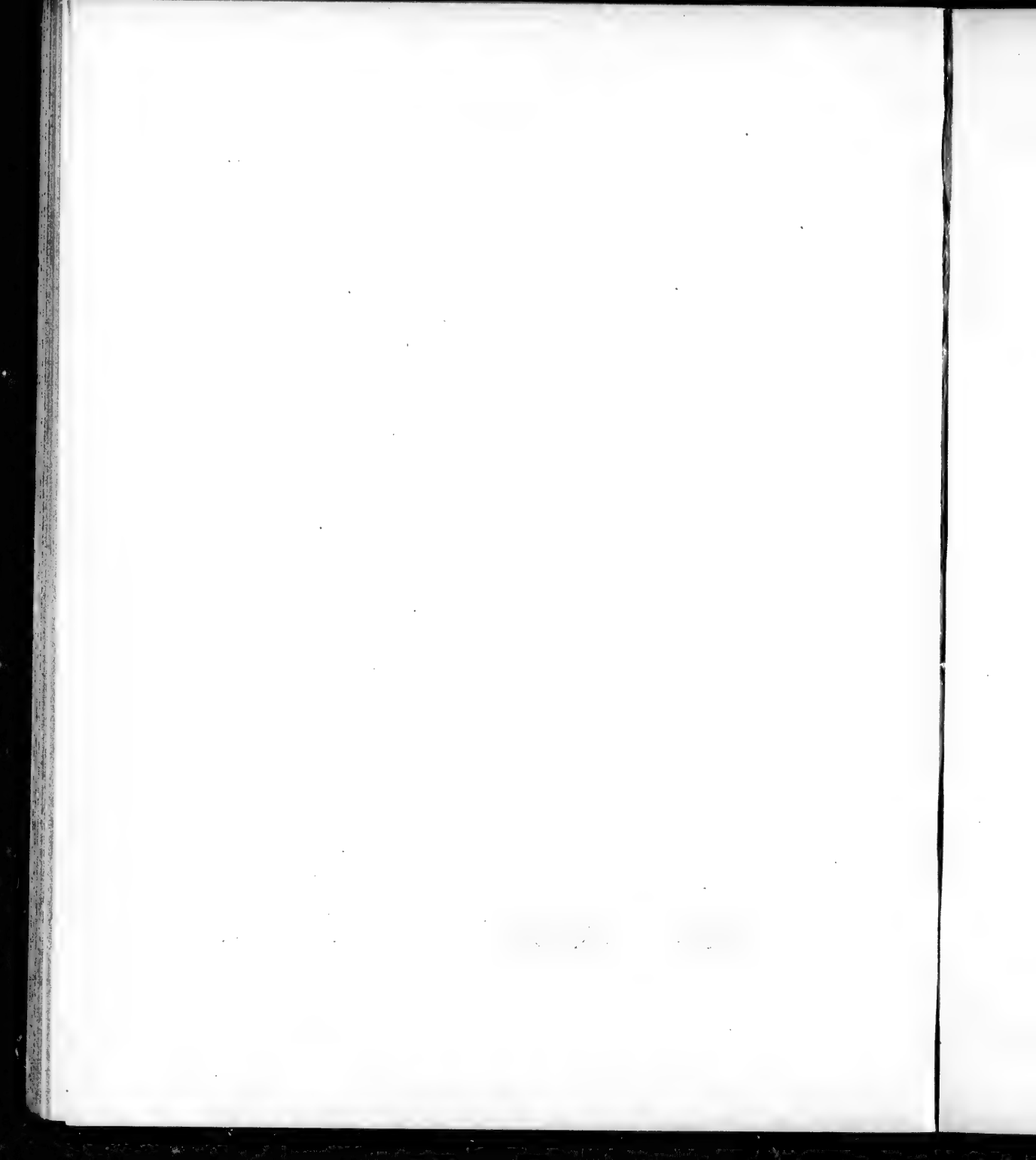
It was Carleton's policy: (1) to enlarge the area of the Province of Quebec so as to include

within it as much as possible of the territory which had once belonged to French Canada; (2) to centralize both legislation and administration as much as possible under the control of the Crown; (3) to secure the active influence of the Roman Catholic Church on the side of Great Britain in the impending struggle between her and the rebellious colonies; (4) to allay as much as possible the hostility of the conquered race by conceding to them the system of law to which they had been accustomed before the conquest; and (5) to make financial provision for the cost of government without resorting to the imposition of unpopular taxation. How far he succeeded in securing these various objects may best be ascertained by a careful analysis of the Quebec Act itself, and by a candid attempt to trace the effect of its operation on the subsequent history of the Province. The difficulties he had to overcome are obvious enough; the evolution is one for which he must be held mainly responsible. Efforts were made by the French and British settlers, respectively, to secure legislation of a different sort, but the British Ministry and Parliament seem in a grave crisis to have acted on the not unwise principle that it was safest to take a competent officer's advice as to the kind of institutional machinery to supply, and then give him a comparatively free hand in operating and controlling it.

The boundaries of the "Province of Quebec," as vaguely defined in the Royal Proclamation which created it, were found by experience to be too limited to include all those French settlers who were entitled to take advantage of the very liberal terms of the Treaty of Paris. The enquiries which were carried on for several years with a view to ascertaining the exact boundary of the Province of Ontario, subsequent to the creation of the Province of Manitoba nearly a century later, showed that the excluded settlers were located at many points besides those mentioned in the Articles of Capitulation signed at Montreal—namely Detroit and Michilimackinac. They were distributed along the great lakes; over the region between Lake Erie and the Ohio River as far West as the Mississippi; over the territory between Lake Michigan and the Mississippi; and over the district tributary to the Red River and



CANADIAN RIVER SCENERY—AMONG THE THOUSAND ISLANDS OF THE ST. LAWRENCE.



Lake Winnipeg. In order to make sure of including them all, the Quebec Act defined the enlarged Province as comprising: "All the territories, islands, and countries in North America belonging to the Crown of Great Britain, bounded on the south by a line from the Bay of Chaleurs along the high lands which divide the rivers that empty themselves into the River St. Lawrence from those which fall into the sea, to a point in forty-five degrees of northern latitude on the Eastern branch of the River Connecticut, keeping the same latitude directly west through the Lake Champlain until in the same latitude it meets the River St. Lawrence; from thence up the eastern bank of the said river to the Lake Ontario; thence through the Lake Ontario and the river commonly called Niagara, and thence along the eastern and southern branch of Lake Erie, following the said branch until the same shall be intersected by the northern boundary granted by the charter of the Province of Pennsylvania, in case the same shall be so intersected, and from thence along the said northern and western boundaries of the said Province, until the said western boundary strike the Ohio; . . . and along the bank of the said river westward to the banks of the Mississippi, and northward to the southern boundary of the territory granted to the Merchant Adventurers of England, trading to Hudson's Bay."

As determined by Act of the British Parliament in 1789, the western boundary of the Province was the River Mississippi, and not the meridian of the mouth of the Ohio, for many French settlers along the former river would still have been excluded had the boundary been located along a line due north from the mouth of the latter. The disaffected British colonists protested against the inclusion within the Province of Quebec of so much outside territory, but a candid consideration of the terms of the Articles of Capitulation and of the Royal Proclamation shows that the definition in the Quebec Act was entirely reasonable.

Carleton's policy of centralization was effected by the creation of a "Council" for the affairs of the Province of Quebec, to consist of such persons resident there "not exceeding twenty-three nor less than seventeen, as His Majesty, his heirs and

successors, may be pleased to appoint; . . . which Council, or the major part thereof, shall have power and authority to make ordinances for the peace, welfare, and good government of the said Province, with the consent of His Majesty's Governor, or, in his absence, of the Lieutenant-Governor or Commander-in-Chief for the time being."

The preamble to this enactment expressly declares that it was inexpedient to "call an Assembly," as the Governors had been by their commissions authorized to do "so soon as the situation and circumstances" of the Province would admit. The disproportion in number between the subjugated French and the dominant British races—65,000 to less than 2,000—was reason enough for not summoning a representative legislature, and at a time when a foreign war was imminent, the policy of a Crown appointed Council may, in the light of history, be not unsuccessfully defended. As a matter of fact, Carleton made a wise selection of advisers, and an enlightened use of his extraordinary powers. It was provided in the Quebec Act that the Council should not have authority to impose taxes on the people of Quebec except for ordinary local public works; that every Ordinance of Council was subject to disallowance within six months by the King; that Ordinances affecting religion or imposing severe penalties should have the King's "approbation" before becoming operative; that His Majesty should still have the right to establish courts of law; and that nothing in the Act should be construed as repealing or making void any of the Acts already passed for "prohibiting, restraining, or regulating the trade or commerce of His Majesty's Colonies and Plantations in America."

There was scarcely any pretence of concealment of the design of Governor Carleton and Lord North to use the new measure for the purpose of keeping the authorities of the Roman Catholic Church on the side of Great Britain in the threatened conflict with her American colonies. The Montreal Articles of Capitulation had guaranteed to the French-Canadians certain concessions in the matter of religion, pending the conclusion of a treaty of peace; the Treaty of Paris three years later bound His Britannic

Majesty "to grant the liberty of the Roman Catholic religion to the inhabitants of Canada," and permission to his "new Roman Catholic subjects to perform the worship of their religion according to the rites of the Romish Church, as far as the laws of Great Britain permit." The Quebec Act went further, and authorized the Roman Catholic Clergy to "hold, receive, and enjoy their accustomed dues and rights with respect to such persons only as shall profess the said religion." It also freed Roman Catholic "ecclesiastical persons and officers" from the necessity of taking the Elizabethan oath of supremacy, and substituted therefore a simple oath of allegiance.

It, however, expressly excepted the "religious orders and communities" from the enactment that all His Majesty's Quebec subjects might "hold and enjoy their property and possessions together with all customs and usages relative thereto in as large, ample, and beneficial manner as may consist with their allegiance to His Majesty, and subjection to the Crown and Parliament of Great Britain." But in the case of all the orders except that of the Jesuits—which had been suppressed in 1773 by Pope Clement IV., "with their functions, houses, and institutions"—the exception was from the first allowed to remain inoperative. Lord North went so far during the Session of 1775 as to declare in his place in Parliament, during the debate on a motion to repeal the Quebec Act, that "if the refractory (American) colonies cannot be reduced to obedience by the present forces, he should think it a necessary measure to arm the Roman Catholics of Canada, and to employ them in that service." Such a purpose, so openly avowed, was sure to embitter the New Englanders and make them still more difficult to manage, but there can be no doubt that the Quebec Act fulfilled its intended purpose of conciliating the Roman Catholic Clergy.

The British petitioners in Quebec for its repeal hoped to receive the co-operation of their French fellow subjects who were also dissatisfied with some provisions of the law, but the latter declined, with some exceptions, to join with them, giving as their reason the fact that "they were withheld by their superiors, and commanded not to join in the English representations," and that if they did

they would infallibly be deprived of their religion, while if they remained quiet they were assured that the English laws would not be changed. But for the passage of the Quebec Act the Province would almost certainly have joined the Thirteen Colonies in the Revolution, while on the other hand there is no strong reason to believe that if it had not been passed the Revolution would not have taken place. The outcome must therefore be regarded as a proof of Carleton's sagacity, whatever may be thought of the measure upon its own merits.

This policy of securing the co-operation of the clergy was further supplemented by a device to secure the goodwill of the *habitants*. From 1763 to 1774 they had been under a British system of administration. The criminal law was simple, intelligible, and not unacceptable to the people, but the common law, enforced in an imperfect and indecisive way, was the very reverse. The Quebec Act provided that "in all matters of controversy relative to property and civil rights, resort shall be had to the laws of Canada, as the rule for the decision of the same." An exception was made with respect to lands granted either before or after the passage of the Act "by His Majesty, his heirs, and successors, to be holden in free and common socage" as contra-distinguished from those which had been granted during the French *régime*, on the feudal or seigneurial tenure. No provision of the Quebec Act has been more severely condemned than this reversion to the old legal customs of French Canada, but it may be said for Governor Carleton that at least it was with him a deliberate policy long and persistently adhered to, and not a piece of political strategy suddenly adopted in a dangerous crisis.

As early as 1769, before the danger of Revolution became acute and while there was still time to conciliate the colonists by a policy of good sense, he was opposed to Chief Justice Hey and Attorney-General Masères in their recommendation to the Lords of Trades and Plantations to enforce British civil law. He favoured the revival of "the whole body of the French laws that were in use before the conquest with respect to civil matters," and in this, as in other affairs, he was allowed by the British Parliament to have his way in 1774. It should be added that this part

of the Quebec Act has never been repealed by the Imperial Parliament, that when the Legislatures of Lower and Upper Canada were organized under the Constitutional Act of 1791, the latter passed an Act substituting the English common law for the French-Canadian law as the rule of decision in Upper Canada; and that the French laws of Quebec ultimately became the basis of the Civil Code, which was enacted for Lower Canada more than forty years ago, and is still the law of the present Province of Quebec.

It would have been easy by any attempt to levy a burdensome tax on the people of the new Province, to completely alienate them from the British Crown, and especially at a time when the American colonists were rising in rebellion against an imposition of this very sort. To avoid this danger there was passed in 1774 a second Quebec Act, the object of which was, while abolishing all previous duties on imported goods, to raise sufficient revenue by imposing others on alcoholic liquors, molasses, and syrups. They were fixed so as to discriminate in favour of liquors manufactured in Great Britain as against those imported from the rebellious colonies or from foreign countries. This Act was amended in the following year in matters of detail. The revenue raised by the operation of this statute was administered by the Imperial Government until 1831, when the

British Parliament passed an Act amending that of 1774, so as to place the net revenue over the cost of collection at the disposal of the Legislatures of Upper and Lower Canada.

It is useless to speculate as to the effect which the Imperial legislation of 1774 might have had upon the Colonial system of this continent, had the Revolutionary War not taken place, or had it resulted otherwise than it did. - By the Treaty of Paris in 1783 all the territory south of the lakes as far as the Mississippi was surrendered to the United States. The replacement of Governor Carleton, the sagacious author of the Quebec Act, by General Haldimand, a purely military ruler, made it more difficult to give the system a fair trial—though the latter did his best in the extremely complicated situation. The advent of the United Empire Loyalists, who were accustomed in their former homes to real representative government, made it necessary to try and adapt the legislative system in Quebec to their ideals. By the Constitutional Act of 1791 an attempt was therefore made to improve the system of Colonial government in Canada, and Sir Guy Carleton, under the title of Lord Dorchester, was once more sent out to supervise the working of a constitution in the formulation of which he had again contributed an important, if not controlling influence.

**Francis, Baron Maseres**, M.A., F.R.S., was one of the most extraordinary men in the early history of Canada. He was born in London of a French Huguenot family on December 15th, 1731, and graduated as an M.A. from Cambridge in 1755. Three years later he published a learned "Dissertation upon Algebra," was called to the Bar, and in 1770 appointed Attorney-General of Quebec. This position he held during three very important years. His chief works were upon mathematical subjects—notably one entitled "Scriptoris Logarithmici," and a treatise upon the "Negative Sign." His "Treatise on Life Annuities" is well known, as are his writings upon Colonial and historical topics, such as the Irish Rebellion, the position of Roman Catholic-

ism, the hundred years preceding the Revolution of 1688, the "Canadian Freeholder," the obtaining of a Canadian House of Assembly, etc. His list of works is a very long one. In 1773 he became Cursitor Baron of the Exchequer, and in 1774 Judge of the Sheriff's Court, London, a position which he held until 1822. Two years later he died at Reigate, Surrey.

**The Hon. William Hey**, Chief Justice of Canada, was an English lawyer of some distinction prior to his appointment as Chief Justice in 1766. He took an immediate and continuous part in all the questions connected with the early history and growth of the country, at a period when his office was one of executive action as well as judi-



cial duty. He opposed the too early grant of legislative liberty to the people, and in 1773 went to England with M. de Lotbinière to help in securing the passage of the Quebec Act, and strongly favoured its terms when examined before the House of Commons. In 1775 he prepared, by request of Lord Dartmouth, War and Colonial Secretary, a measure for the Imperial Parliament re-establishing in Quebec, or Canada, the *habeas corpus*, trial by jury in civil cases, and the English law relating to commercial matters. In 1774 he was returned to Parliament, and in 1776 was appointed a Commissioner of Customs in England. In 1777 his successor in Canada was appointed. He died in 1797.

**The following is the text of the Message sent by King George to the Commons in connection with the proposed modification of the Quebec Act, March 4th, 1791:**

"His Majesty thinks it proper to acquaint the House of Commons that it appears to His Majesty that it would be for the benefit of His Majesty's subjects in his Province of Quebec that the same should be divided into two separate Provinces, to be called the Province of Upper Canada and the Province of Lower Canada, and that it is accordingly His Majesty's intention so to divide the same whenever His Majesty shall be enabled by Act of Parliament to establish the necessary regulations for the government of the said Provinces. His Majesty, therefore, recommends this object to the consideration of this House. His Majesty also recommends to this House to consider such provisions as may be necessary to enable His Majesty to make a permanent appropriation of lands of the said Provinces for the support and maintenance of a Protestant clergy within the same, in proportion to such lands as have already been granted within the same, in and by His Majesty; and it is His Majesty's desire that such provision may be made with respect to all future grants of land within the said Provinces respectively as may best conduce to the same object in proportion to such increase as may happen in the population and cultivation of the said Provinces; and for this purpose His Majesty consents that such provisions and regulations may be made by

this House respecting all future grants of land to be made by His Majesty within the said Provinces as this House shall think fit."

On the 26th of May, 1774, the Governor-General of Canada, the Chief Justice, the Attorney-General Masères, and M. de Lotbinière, were examined before the Bar of the House of Commons. Their views may be very briefly summarized.

Sir Guy Carleton stated that English criminal law was acceptable in Quebec, but that there were numerous objections to English civil law. The French-Canadians did not know what it was, and they naturally expressed dislike at being governed by a law of which they were ignorant, written in a language which they did not understand. They were willing enough to praise the provisions of English law, when it favoured their own cause. The French-Canadians had no desire for an Assembly. There were 360 Protestant families in Canada, and about 150,000 Catholics, all told. The majority of the Protestants were men of small subsistence, and by no means eligible for an Assembly to be chosen from them. The cultivation of land and the development of trade had increased since the conquest. The Province had passed from a state of war to that of peace, population had become much greater, and the operations of agriculture much extended.

M. Masères declared that the French in Canada had no clear notions of government, indulged in few speculations, and would be content with any form given them, if it were only well administered. They objected to jury trials in civil cases, from the expense entailed, but a small allowance would satisfy them and reconcile them to the system. An abolition of their law as to descent, dower, and transfer of land, would be very offensive. They could not object to the *habeas corpus*, as it was impossible for any people to do so. They had only a confused idea of what an Assembly was. He was of opinion that there might be a judicious mixture of law. On being asked by Dunning, if, in the event of French law being extended to Canada, the Governor could issue *lettres de cachet* for the imprisonment of parties, he replied that the Governor would have no authority to issue such letters; but if blank forms, signed by the

King, were sent out, he could act upon them.

Chief Justice Hey, in his examination, said that he differed with Sir Guy Carleton on the subject of the code. He had thought that the laws of Canada might be blended with those of England, to form a system adapted to the wants of Canadians, and at the same time accord with the policy of Great Britain. When the question was asked whether arbitrary government was considered possible under French law, Hey replied, that as Chief Justice, if he knew of a man's imprisonment without cause, and found no law for the purpose of having the prisoner brought before him, he would be induced to make one for the occasion.

De Lotbiniere's evidence was to the effect that if the question of land was kept to Canadian law, the Canadians liked the English judicature very well. He had never heard the question of the Legislative Council much discussed; the Canadians might be satisfied if the Canadian *noblesse* was admitted.

In commenting upon these statements, Lord Lyttleton used words in the House of Lords on June 17th, fairly typical of the feeling entertained by a large majority in England at that date, concerning the then approaching American revolution:—"If British America was determined to resist the lawful power and pre-eminence of Great Britain, he saw no reason why the loyal inhabitants of Canada should not co-operate with the rest of the empire in subduing them and bringing them to a right sense of their duty, and he thought it happy that from their local situation there might be some check to those fierce fanatic spirits that were inflamed with the same zeal which animated the Roundheads in England, who directed that zeal to the same purposes, to the demolition of Royal authority, and to the subversion of all power which they did not themselves possess; that they were composed of the same leaven, and, whilst they pretended to be contending for liberty, they were setting up an absolute independent republic, and that the struggle was not for freedom, but power, which was proved from the whole tenor of their conduct."

**During the debate in the House of Commons** on the 8th of June, 1774, the proposed Quebec

Act was vigorously attacked and warmly defended. The following are some historic extracts from the speeches delivered:

EDMUND BURKE. Instead of making them free subjects of England, you sentence them to French government for ages. I meant only to offer a few words upon the part of the Canadians, and leave them to their misery. They are condemned slaves by the British Parliament. You only give them new masters. There is an end of Canada. Sir, having given up a hundred and fifty thousand of these people, having deprived them of the principles of our constitution, let us turn our attention to three hundred and sixty English families. It is a small number; but I have heard that the English are not to be judged of by number, but by weight; and that one Englishman can beat two Frenchmen. Let us not value that prejudice. I do not know that one Englishman can beat two Frenchmen, but I know that, in this case, he ought to be more valuable than twenty Frenchmen, if you estimate him as a freeman and the Frenchmen as slaves. What can compensate an Englishman for the loss of his laws? Do you propose to take away liberty from the Englishman, because you will not give it to the French? I would give it to the Englishman, though ten thousand Frenchmen should take it against our will. Two-thirds of the whole trading interest of Canada are going to be deprived of their liberties, and handed over to French law and French Judicature. Is that just to Englishmen? Surely, the English merchants want the protection of our law more than the *noblesse*! They have property always at sea, which, if it is not protected by law, every one may catch who can.

THOMAS TOWNSHEND. I cannot but confess that the noble lord has shown an amazing degree of foresight in fixing, above all other days in the year, on the 10th of June, for finishing a Bill which goes to establish Popery. For God's sake, Sir, let us come down with white roses in our hats. A day more propitious for a bill of this complexion could not have been fixed on. On the report of the Bill I shall propose a clause for rendering it temporary, and if the noble lord will suffer it to pass, he never had at his *levee* a more humble suppliant for a boon for himself, than I

am for the Canadians. This Bill will make the Canadians the detestation of the English colonies.

COLONEL BARRE. This Bill, Sir, originated with the House of Lords. It is Popish from the beginning to the end. The Lords are the Romish priests, who will give His Majesty absolution for breaking his promise given in the Proclamation of 1763. In this Bill they have done like all other priests—not considered separately the crimes with which the Bill abounded, but have bundled them all up together, and, for despatch, given absolution for the whole at once. When, however, the measure came down to this House, its members, not being so Popishly inclined, wished to have some information.

GOVERNOR JOHNSTONE. The English colonies have flourished more than others; they have found out the secret of carrying freedom to the distant parts of the empire. I hope gentlemen will not come to the conclusion because certain Assemblies in America have recently been tumultuous on a nice point, that therefore all assemblies are to be discountenanced. I see throughout the whole that the interest of the Governor, and the interest of the Receiver-General, are the predominant features of the Bill; together with surrounding our own colonies with a line of despotism. As an Irishman said to me, in that nice metaphorical language that belongs to his country, you are coming round and round, till, like water flowing in upon an island, encroaching upon it more and more, you will not leave a foot of ground for the fowl of the air to rest upon. I fear you will not leave a foot for liberty to rest upon.

LORD NORTH. In the first place, Sir, I cannot admit that the evidence taken at our Bar has been in opposition to the principle of the Bill; on the contrary, I think it confirms the most material parts of it. With regard to the particular clause before us what have the witnesses at the Bar said? The Governor certainly is evidence against an Assembly; the Chief Justice certainly is evidence against an Assembly; Mr. Masères is for an Assembly. But, in point of fact, what came out in evidence. That there were in the province at present one hundred and fifty thousand Roman Catholic subjects, and about three hundred and sixty Protestant families, whose numbers we will

suppose to be a thousand or twelve hundred persons; but very few of them are possessed of any property at all. The fair inference, therefore, is that the Assembly would be composed of Roman Catholics. Now, I ask, is it safe for this country—for we must consider this country—to put the principal power into the hands of an Assembly of Roman Catholic new subjects? I agree with the honourable gentleman that the Roman Catholics may be honest, able, worthy, sensible men, entertaining very correct notions of political liberty; but I must say there is something in that religion which makes it not prudent in a Protestant government to establish an Assembly consisting entirely of Roman Catholics. The honourable gentleman is of opinion that more is to be dreaded from the Seigneurs than from those in the lower ranks. Sure, I am, that the Seigneurs, who are the great possessors of the lands, would be the persons who composed the Assembly, and some of them will, I hope, be admitted to the Legislative Council; but then the Governor will choose those on whose fidelity he has the greatest reason to rely. They will be removeable by the King-in-Council, and will not depend wholly upon the Roman Catholic electors, or be removable at their pleasure.

It is not at present expedient to call an Assembly. That is what the Act says, though it would be convenient that the Canadian laws should be assimilated to those of this country, as far as the laws of Great Britain admit, and that British subjects should have something or other in their constitution preserved for them, which they will probably lose when they cease to be governed entirely by British laws. That it is desirable to give the Canadians a constitution in every respect like the constitution of Great Britain, I will not say; but I earnestly hope that they will, in the course of time, enjoy as much of our laws and as much of our constitution as may be beneficial for that country, and safe for this. But that time is not yet come.

MR. SERGEANT GLYNNE. The omission of this right to appeal to a jury in civil causes appears to me an insuperable objection to the Bill. To any predilection of the Canadians for their ancient laws and customs, I should be inclined as much as any one to yield, as far as I could do so with

safety ; but to carry my compliance to the exclusion of the laws of England—to consent to substitute in their place the laws of France—and to add to all this a form of Legislature correspondent to that of the Kingdom whence those laws were borrowed, is what I can never consent to. And I own my objection to the measure was strengthened when I was told that there was a prejudice and predilection in these people favourable to those laws, and that it was considered good policy to avail ourselves of this predilection to build a system of government upon it so contrary to our own. I should have thought it was rather our duty, by all gentle means, to root those prejudices from the minds of the Canadians, to attach them by degrees to the civil Government of England, and to rivet the union by the strong ties of laws, language and religion. You have followed the opposite principle, which, instead of making it a secure possession to this country, will cause it to remain forever a dangerous one. I have contemplated with some horror the nursery thus established for men reared up in irreconcilable aversion to our laws and constitution.

**The Address and Petition presented to the King by the Corporation of London, prior to His Majesty's signing of the Bill for the better government of Quebec was as follows :**

"Most Gracious Sovereign.

We, your Majesty's most dutiful and loyal subjects, the Lord Mayor, Aldermen, and Common Council of the City of London, in Common Council assembled, are exceedingly alarmed that a Bill has passed your two Houses of Parliament, entitled "An Act for making more effectual provision for the Government of the province of Quebec, in North America," which we apprehend to be entirely subversive of the great fundamental principles of the constitution of the British monarchy, as well as of the authority of the solemn acts of the Legislature. We beg leave to observe that the English law, and that wonderful effort of human wisdom, the trial by jury, are not admitted by this Bill in any civil cases, and the French law of Canada is imposed on all the inhabitants of that extensive province, by which both the person and properties of very many of your Majesty's subjects are rendered insecure and precarious.

We humbly conceive, that this Bill, if passed into a law, will be contrary not only with the compact entered into with the various settlers of the reformed religion, who were invited into the said province under the sacred promise of enjoying the benefit of the laws of your realm of England, but likewise repugnant to your Royal Proclamation of the 7th of October, 1763, for the speedy settlement of the said new Government.

That consistent with the public faith pledged by the said proclamation, your Majesty cannot erect and constitute courts of judicature and public justice for the hearing and determining all cases, as well civil as criminal, within the said province, but as near as may be agreeable to the laws of England ; nor can any laws, statutes, or ordinances, for the public peace, welfare, and good government of the said province be made, constituted, or ordained, but according to the laws of this realm.

That the Roman Catholic religion, which is known to be idolatrous and bloody, is established by this Bill, and no legal provision is made for the free exercise of our reformed faith, nor the security of our Protestant fellow-subjects of the Church of England in the true worship of Almighty God, according to their consciences.

That your Majesty's illustrious family was called to the throne of these Kingdoms in consequence of the exclusion of the Roman Catholic ancient branch of the Stuart line, under the express stipulation that they should profess the Protestant religion, and according to the oath established by the sanction of Parliament in the first year of the reign of our great deliverer, King William the Third. Your Majesty at your coronation has solemnly sworn that you would to the utmost of your power maintain the laws of God, the true profession of the Gospel, and the Protestant reformed religion established by law.

That although term of imprisonment of the subject is limited to three months, the power of fining is left indefinite and unrestrained, by which the total ruin of the party may be effected by an enormous and excessive fine. That the whole legislative power of the province is vested in persons to be wholly appointed by your Majesty, and removable at your pleasure, which we apprehend to be repugnant to the leading principles of this

free constitution, by which alone your Majesty now holds, or legally can hold, the Imperial Crown of these realms.

That the said Bill was brought into Parliament very late in the present session and after the greater number of the members of the two Houses were retired into the country, so that it cannot fairly be presumed to be the sense of those parts of the Legislature.

Your petitioners, therefore, most humbly supplicate your Majesty, as the guardian of the laws, liberty, and religion of your people, and of the great bulwark of the Protestant faith, that you will not give your Royal assent to the said Bill.

And your petitioners, as in duty bound, will ever pray."

**In connection with the evolution** of the Quebec Act two important statements or preliminary reports were submitted to the Imperial Government. They were prepared respectively by Attorney-General Thurlow and Solicitor-General Wedderburn and had much influence in determining the policy ultimately pursued. Both of these men were eminent lawyers. Edward Thurlow, who was born in 1732 and died in 1806, had reached his present office in 1771, and during fourteen years from 1778—with a very brief interval—he was Lord High Chancellor of Great Britain under the title of Baron Thurlow. Alexander Wedderburn, who was born in 1733, and died in 1805, became Solicitor-General in 1771, Attorney-General seven years later, Lord Chief Justice in 1780—when he was created Baron Loughborough—and Lord High Chancellor in 1793. This position he held some years, and in 1801 was made Earl of Rosslyn. It was natural that reports submitted by men of such notable ability should carry weight and it is equally natural that they should become of much historic value.

Thurlow, whose statement is dated January 12th, 1773, entered very fully into the causes which made an established form of government in Canada absolutely necessary. He traced the condition of the country prior to and following the Conquest—not always with precise accuracy—and declared that the French-Canadians were entitled to their property and personal liberty. He thought that the laws which created, defined,

and secured property should be maintained without serious change from the old code. He believed, however, that the right of conquest was as strong a title in the British Sovereign as any given the French by private rights and ancient usages. Modifications in the old French system were, therefore, quite justifiable if thought necessary to establish the King's authority or ensure popular obedience. Cogent necessity, however, would be the only valid excuse for such changes. His view has been summarized as that of non-interference with existing civil laws so far as to allow every consideration for the old French laws bearing upon private rights, minor public affairs, prevalent customs and manners, and inherited religious privileges. He made little reference to the future and did not propose any definite remedy for existing embarrassments.

Wedderburn, on the other hand, in his Report—dated December 6th, 1772—dealt with the future as much as with the past. He thought the Capitulation (Montreal) pledged only secured to the French-Canadians the temporary enjoyment of certain rights and that the Treaty of Paris contained only "a very vague reservation" as to the exercise of the Catholic religion. But he contended, nevertheless, that no right could be founded upon conquest other than that of "regulating the political and civil government of the country, leaving to individuals the enjoyment of their property and of all privileges not inconsistent with the security of the acquired territory." He referred at length to the difficulties of establishing a House of Assembly at that time and the practical impossibility of deciding upon its composition so as to exclude an overwhelming French representation, without displeasing the greater part of that population which it was exceedingly desirable to placate. He favoured, upon the whole, a Council having the right to make laws under certain limitations. The subject of religion and religious privileges was fully considered, and he expressed the opinion that while the articles in the Capitulation and the Treaty were of little real effect, yet true policy dictated the retention of these religious privileges by the French-Canadians, and the protection and maintenance of the priests under assured laws. He thought also that the monastic orders should be tolerated, with the ex-

ception of the Jesuits, whom he declared to be aliens to every government. Their lands should, therefore, be vested in His Majesty and gradually applied to educational purposes. His Report then went into a general consideration of the code of law, referred to opinions expressed by the authorities who had been heard at the Bar of the House, and declared the French inhabitants of Canada entitled to the *habeas corpus* by common law. But he thought that the right should not be given by statute until popular loyalty was fairly assured. He leaned towards the creation of a new code rather than the adoption of the old one, but like Thurlow, made no definite recommendations.

Marryott, the Advocate-General, also wrote a Report which was published in 1774, after the passage of the Act. He contended that the circumstances of Canada made a change in its laws absolutely necessary; expressed the opinion that the criminal law of England became that of Canada at the moment the conquest was completed and recognized; that an Assembly was inexpedient—partly because of the statement made under examination by M. de Lotbiniere that only four or five persons in any parish could read; and that a Council would answer all present purposes. He thought four measures should be passed:

1. To regulate the Courts of Justice.
2. To declare the common law.
3. To regulate the revenue.
4. To permit the profession of the Roman Catholic religion.

The pleadings in the Courts he considered should be in French and English. If the French civil law relating to property was maintained the extent of its application or adoption should be left to the knowledge, discretion and experience of the judges. He disbelieved in any formal establishment or recognition of the Roman Catholic faith, and thought it should only be "tolerated in a way not to violate the Royal Supremacy."

The sections of various treaties and legal, constitutional, or international pledges in connection with the underlying principles of the Quebec Act are of great historical importance and may be given here in their order. The Articles of Capitulation of Quebec as demanded by M. de Ramezay the French commander and granted by Admiral

Saunders and General Townshend, are first in the order of time and bear date September 20th, 1759. The religious clause is as follows:

"That the exercise of the Catholic, Apostolic and Roman religion shall be preserved; that safe-guards shall be given to the houses of the clergy, to the monasteries and the convents, especially to His Lordship the Bishop of Quebec, who, full of zeal for religion and of love for the people of his diocese, desires to remain constantly in it to exercise freely and with the decency which his standing and the sacred mysteries of the Catholic, Apostolic and Roman religion requires, his episcopal authority in the town of Quebec whenever he shall think fit, until the possession of Canada has been decided by a treaty between His Most Christian Majesty and His Britannic Majesty."

This was accepted and "the free exercise of the Roman religion granted, likewise safe-guards to all religious persons as well as to the Bishop."

By the terms of the Capitulation of Montreal—and practically Canada—signed on 8th September, 1760, by General Amherst and M. de Vaudreuil, the following pledges were asked and made:

Article 27. The free exercise of the Catholic, Apostolic and Roman religion shall subsist entire, in such manner that all classes and peoples of the towns and rural districts, places, and distant posts may continue to assemble in the churches, and to frequent the sacraments as heretofore, without being molested in any manner, directly or indirectly. These people shall be obliged by the English Government to pay to the priests, who shall have the oversight of them, the tithes and all the dues they were accustomed to pay under the government of His Most Christian Majesty.

"Granted as to the free exercise of their religion; the obligation of paying the tithes to the priests will depend on the King's pleasure."

Article 28. The Chapter, priests, cures, and missionaries, shall continue with entire freedom their parochial services and functions in the parishes of the towns and rural districts.

"Granted."

Article 29. The Grand Vicars named by the Chapter to administer the diocese during the vacancy of the Episcopal see shall have liberty to dwell in the towns or country parishes as they



shall think proper. They shall at all times be free to visit the different parishes of the diocese with the ordinary ceremonies, and exercise all the jurisdiction they exercised under the French dominion. They shall enjoy the same rights in case of the death of the future Bishop, of which mention will be made in the following article.

"Granted, except what regards the following article."

Article 30. If by the treaty of peace Canada should remain in the power of His Britannic Majesty, His Most Christian Majesty shall continue to name the Bishop of the colony, who shall always be of the Roman communion, and under whose authority the people shall exercise the Roman religion.

"Refused."

Article 32. The communities of nuns shall be preserved in their constitutions and privileges. They shall continue to observe their rules. They shall be exempt from lodging any military, and it shall be forbidden to molest them in the religious exercises which they practise, or to enter their convents. Safeguards shall even be given them, if they demand them.

"Granted."

Article 34. All the communities and all the priests shall keep their movables, the ownership and usufruct of the seigneuries, and other property which both possess in the colony, of whatever nature it may be, and the said property shall be maintained in its privileges, rights, honours, and exemptions.

"Granted."

Article 35. If the canons, priests, missionaries, the priests of the Seminary of the Foreign Missions and of St. Sulpice, as well as the Jesuits and the Recollets, wish to go to France, passage shall be given them on the vessels of His Britannic Majesty, and all shall have leave to sell, in whole or in part, the fixed movable property which they possess in the colony, either to the French or to the English, without the British Government being able to impose the least hindrance or obstacle. They may take with them, or send to France, the produce, of whatsoever nature it be, of the said property sold, on paying the freight as mentioned in Article 26, and those of the priests who wish to go this year shall be main-

tained during the voyage at the expense of His Britannic Majesty, and shall be allowed to take with them their baggage.

"They shall be masters to dispose of their estates, and to send the produce thereof, as well as their persons, and all that belongs to them to France."

The religious clause of the Treaty of Paris in 1763, by which Canada was formally recognized as British territory, is given elsewhere. The Royal Proclamation, which was immediately issued by King George III., is of importance, and has been declared in Chief Justice Mansfield's famous judgment upon the case of *Campbell v. Hall* to have really served as the Imperial Constitution of Canada from the Conquest up to 1774. The following clause is the most important :

"And whereas it will greatly contribute to the speedy settling our said New Governments, that our loving subjects should be informed of our paternal care for the security of the liberty and properties of those who are, and shall become, inhabitants thereof; we have thought fit to publish and declare, by this our Proclamation, that we have in the letters patent under our Great Seal of Great Britain, by which the said Governments are constituted, given express power and direction to our governors of the said colonies respectively, that as soon as the state and circumstances of the said colonies will admit thereof, they shall, with the advice and consent of the members of our Council, summon and call general Assemblies within the said governments respectively, in such manner and form as is used and directed in those colonies and provinces in America, which are under our immediate government; and we have also given power to the said governors, with the consent of our said councils and the representatives of the people so to be summoned as aforesaid, to make, constitute, and ordain laws, statutes, and ordinances for the public peace, welfare, and good government of our said colonies, and of the people and inhabitants thereof, as near as may be, agreeable to the laws of England, and under such regulations and restrictions as are used in other colonies, and in the meantime, and until such Assemblies can be called as aforesaid, all persons inhabiting in or resorting to our said colonies may confide in our Royal protection for the enjoyment of the benefit of the laws of our realms of England; for which purpose we have given power under our great seal to the governors of our said colonies respectively to enact and constitute, with the advice of our said councils respectively, courts of judicature



and public justice within our said colonies for the hearing and determining all causes, as well criminal as civil, according to law and equity, and, as near as may be, agreeable to the laws of England, with liberty to all persons who may think themselves aggrieved by the sentence of such courts in all civil cases to appeal under the usual limitations and restrictions to us in our Privy Council."

By the terms of the Quebec Act many of these rights or privileges were maintained, in accordance with the practical promises of Great Britain. The following are the chief sections or Articles of that measure, aside from the one dealing with the boundary, which is given in the text :

Article V. And for the more perfect security and ease of the minds of the inhabitants of the said Province it is hereby declared, that His Majesty's subjects professing the religion of the Church of Rome, of and in the said Province of Quebec, may have, hold, and enjoy the free exercise of the religion of Rome subject to the King's supremacy, declared and established by an Act made in the first year of the Reign of Queen Elizabeth over all the Dominions and Countries which then did, or thereafter should, belong to the Imperial Crown of this realm ; and that the clergy of the said Church may hold, receive, and enjoy their accustomed dues and rights with respect to such persons only as shall profess the said religion.

Article VI. Provided, nevertheless, that it shall be lawful, for His Majesty, his heirs and successors, to make such provision out of the rest of the said accustomed dues and rights, for the encouragement of the Protestant religion and for the maintenance and support of a Protestant clergy within the said Province as he, or they, shall from time to time think necessary or expedient.

Article VII. Provided always, and be it enacted that no person professing the religion of the Church of Rome and residing in the said Province shall be obliged to take the oath required by the said statute in the first year of the reign of Queen Elizabeth, or any other oaths substituted by any other Act in the place thereof ; but that every such person, who by the said statute is required to take the oath therein mentioned, shall be obliged, and is hereby required, to take and subscribe the following oath before the Governor, or such other person, in such Court of Record as His Majesty shall appoint, who are hereby auth-

orized to administer the same ; *videlicet*.

I, A. B., do sincerely promise and swear that I will be faithful and bear true allegiance to His Majesty King George and him will defend to the utmost of my powers, against all traitorous conspiracies and attempts whatsoever, which shall be made against his person, crown, and dignity ; and I will do my utmost endeavour to disclose and make known to His Majesty, his heirs and successors, all treasons and traitorous conspiracies and attempts, which I shall know to be against him or any of them ; and all this I do swear without any equivocation, mental evasion, or secret reservation, and renouncing all pardons and dispensations from any power or person whatsoever to the contrary. So help me God.

And every such person who shall neglect or refuse to take the said oath before mentioned, shall incur and be liable to the same penalties, forfeitures, disabilities and incapacities as he would have incurred and be liable to for neglecting or refusing to take the oath required by the said statute passed in the first year of the reign of Queen Elizabeth.

Article VIII. And be it further enacted by the authority aforesaid, that all His Majesty's Canadian subjects within the Province of Quebec, the religious orders and communities only excepted, may also hold and enjoy their property and possessions, together with all customs and usages relative thereto, and all others their civil rights, in as large, ample, and beneficial manner as if the said Proclamation, Commissions, Ordinances, and other Acts and Instruments had not been made, and as may consist with their allegiance to His Majesty, and subject to the Crown and Parliament of Great Britain ; and that in all matters of controversy relative to property and civil rights, resort shall be had to the laws of Canada as the rule for the decision of the same ; and all causes that shall hereafter be instituted in any of the courts of justice, to be appointed within and for the said Province by His Majesty, his heirs and successors, shall with respect to such property and rights be determined agreeably to the said laws and customs of Canada, until they shall be varied or altered by any Ordinance that shall from time to time be passed in the said Province by the Governor, Lieutenant-Governor, or Commander-in-Chief for the time being, by and with the advice and consent of the Legislative Council

of the same, to be appointed in manner herein-after mentioned.

Article IX. Provided always, that nothing in this Act contained shall extend or be construed to extend, to any lands that have been granted by His Majesty, or shall hereafter be granted by His Majesty, his heirs and successors, to be holden in free and common soccage.

Article X. Provided also, that it shall and may be lawful to and for every person that is owner of any land, goods or credits in the said Province, and that has a right to alienate the said lands, goods or credits in his or her life-time, by deeds of sale, gift, or otherwise, to devise or bequeath the same at his or her death, by his or her last will and testament; any law, usage, or custom heretofore or now prevailing in the Province, to the contrary thereof in anywise notwithstanding; such will being executed either according to the Laws of Canada, or according to the forms prescribed by the Laws of England.

Article XI. And whereas the certainty and lenity of the Criminal Law of England and the benefits and advantages resulting from the use of it, have been sensibly felt by the inhabitants from an experience of more than nine years, during which it has been uniformly administered; be it therefore further enacted by the authority aforesaid, that the same shall be observed as law in the Province of Quebec, as well in the description and quality of the offence as in the method of prosecution and trial, and the punishments and forfeitures thereby inflicted, to the exclusion of every other rule of criminal law or mode of proceeding thereon, which did or might prevail in the said Province before the year of our Lord one thousand seven hundred and sixty-four; everything in this Act to the contrary thereof in any respect notwithstanding; subject nevertheless to such alterations and amendments as the Governor, Lieutenant-Governor, or Commander-in-Chief for the time being, by and with the advice and consent of the Legislative Council of the said Province, hereafter to be appointed, shall from time to time cause to be made therein in manner hereinafter directed.

Article XII. And whereas it may be necessary to ordain many regulations for the future welfare and good government of the Province of Quebec, the

occasions of which cannot now be foreseen, nor without much delay and inconvenience be provided for, without intrusting that authority for a certain time and under proper restrictions to persons resident here; and whereas it is at present inexpedient to call an Assembly, be it therefore enacted by the authority aforesaid, that it shall and may be lawful for His Majesty, his heirs and successors, by warrant under his or their signet or sign manual, and with the advice of the Privy Council, to constitute and appoint a Council for the affairs of the Province of Quebec, to consist of such persons resident there, not exceeding twenty-three nor less than seventeen, as His Majesty, his heirs and successors, shall be pleased to appoint; and upon the death, removal, or absence of any of the members of the said Council, in like manner to constitute and appoint such and so many other persons as shall be necessary to supply the vacancy or vacancies; which Council, so appointed and nominated, or the major part thereof, shall have power and authority to make ordinances for the peace, welfare, and good government of the said Province, with the consent of His Majesty's Governor, or, in his absence, of the Lieutenant-Governor or Commander-in-Chief for the time being.

Article XIII. Provided always that nothing in this Act contained shall extend to authorize or empower the said Legislative Council to lay any taxes or duties within the said Province, such rates and taxes only excepted as the inhabitants of any town or district within the said Province may be authorized by the said Council to assess, levy, and apply, within the said town or district, for the purpose of making roads, erecting or repairing public buildings, or for any other purpose respecting the local convenience and economy of such town or district.

Article XIV. Provided also, and be it enacted by the authority aforesaid that every Ordinance so to be made shall within six months be transmitted by the Governor, or in his absence by the Lieutenant-Governor, or Commander-in-Chief for the time being, and laid before His Majesty for his Royal Approbation; and if His Majesty shall think fit to disallow thereof, the same shall cease and be void from the time that His Majesty's order-in-council thereupon shall be promulgated.

**Lord Mansfield's Judgment as rendered** upon November 28th, 1774, is one upon which much subsequent constitutional controversy turned. His general view of what he terms "propositions in which both sides exactly agree, or which are too clear to be denied," has never been authoritatively controverted. He states these propositions as follows :

1. A country conquered by the British arms becomes a dominion of the King in the right of his crown, and therefore necessarily subject to the legislative power of the Parliament of Great Britain.

2. The conquered inhabitants once received into the conqueror's protection become subjects ; and are universally to be considered in that light, not as enemies or aliens.

3. Articles of capitulation, upon which the country is surrendered, and treaties of peace by which it is ceded, are sacred and inviolate, according to their true intent and meaning.

4. The laws and legislation of every dominion equally affects all persons and property within the limits thereof, and is the true rule for the decision of all questions which arise there. Whoever purchases, sues, or lives there, puts himself under the laws of the place, and in the situation of its inhabitants. An Englishman in Ireland, Minorca, the Isle of Man, or the Plantations, has no privilege distinct from the natives while he continues there.

5. The laws of a conquered country continue in force until they are altered by the conqueror. The justice and antiquity of this maxim are incontrovertible ; and the absurd exception as to Pagans mentioned in Calvin's case, shows the universality and antiquity of the maxim. That exception could not exist before the Christian era, and in all probability arose from the mad enthusiasm of the Crusades. In the present case the capitulation expressly provides and agrees that they shall continue to be governed by their own laws, until His Majesty's pleasure is further known.

6. If the King has power (and, when I say "the King," I mean in this case "the King with-

out the concurrence of Parliament") to alter the old and to make new laws for a conquered country—this being a power subordinate to his own authority as a part of the supreme legislature and parliament—he can make none which are contrary to fundamental principles ; he cannot exempt an inhabitant from the laws of trade, or the authority of Parliament, or give him privileges exclusive of his other subjects ; and so in many other instances that might be put.

**William Murray, Earl of Mansfield**, whose fame as a jurist is of Imperial proportions and importance, was born in 1705 and died in 1793. At a very early age he became engaged in cases before the House of Lords, and soon obtained an immense practice and an unusual reputation for eloquence. In 1742 the "silver-tongued Murray," as he was called, became Solicitor-General, in 1754 Attorney-General, and two years later was appointed Lord Chief Justice of England, with the title of Baron Mansfield. In 1776 he was raised to the earldom. His most famous judgment was perhaps the one mentioned above in connection with the Quebec Act.

**The reference in the Quebec Act** to an enactment in the reign of Elizabeth dealt with the law entitled "An Act to restore to the Crown the Ancient Jurisdiction over the Estates Ecclesiastical and Spiritual, and abolishing all foreign Powers repugnant to the same." The following is the quotation from Section 16, which enacts that "no foreign prince, person, prelate, state, or potentate, spiritual or temporal, shall at any time, after the last day of this session of Parliament, use, enjoy, or exercise any manner of power, jurisdiction, superiority, authority, prominence, or privilege, spiritual or ecclesiastical, within this realm, or within any other your Majesty's dominions or countries that now be, but from thenceforth the same shall be clearly abolished out of this realm, and all other your Highness' dominions for ever ; any statute, ordinance, custom, constitutions, or any other matter or cause whatever to the contrary notwithstanding."

## THE CONSTITUTIONAL ACT OF 1791

BY

P. F. CRONIN, Editor of *The Catholic Register*.

THE close of the eighteenth century was a period of terrible upheaval. Like earthquake shocks felt on both sides of the Atlantic ocean, the disturbances of that time appear to have travelled to and fro between the new world and the old. Indeed, throughout the whole of civilized society national and political institutions were more or less forcibly agitated by the spirit of unrest. While it is not to the present purpose either to describe or account for this phenomena, I cannot better introduce the subject I am dealing with than by showing its very real connection with the feeling produced upon the minds of the then Sovereign and statesmen of Great Britain by the revolutionary convulsions occurring all around them. The duty was theirs by all possible and proper means to prevent the disorder, in any form, affecting the constitution and development of the British Empire.

A notable authority of the last century on the character of George the Third, Dr. Adam Clarke, informs us that during every year of his reign the King "most conscientiously watched over the constitution committed to his care." The history of the Imperial statute known as the Constitutional Act of 1791 is not the least convincing evidence in support of this assertion, for the King took an active interest in the political conduct of those at the helm of affairs in England when the measure in question was presented to Canada. In a sense they seem to have been governed resolutely by a patriotic faith in the wisdom of the British constitution, and in the safety from revolutionary contagion which it should afford to subjects residing in a distant colony. Let it be borne in mind that Quebec, or Canada, as it was then, occupied a position conspicuously exposed to the tendencies of the period. The influences of the

French Revolution were too far-spreading not to have occasioned just alarm as to the feeling existing amongst the French-Canadians who then composed the bulk of the Canadian colonists. But those were not the only influences that contributed to give determined direction to the Imperial policy. The internal affairs of the colony were not so satisfactory as to guarantee the preservation of patience amongst the 10,000 Loyalists in Upper Canada who had commenced their settlement in 1784. They had located along the northern bank of the St. Lawrence and in the Niagara Peninsula, and although much endurance might have been expected from men who had followed the British flag northward out of the American revolted provinces, the Quebec Act had been productive of little else than dissatisfaction amongst them. Their irritation was naturally increased by the small minority in the lower section of the Province having adopted towards their French fellow-subjects an apparently irreconcilable attitude.

A representative merchant of Quebec, Mr. Adam Lymburner, who was for some time a member of the Quebec Executive Council, figures as the historical exponent of this antipathy between English and French. As an accredited representative of the former, he declared to the Home government that the Quebec Act had not merely been a disappointment and a failure, but that things had reached such a deplorable state that there was not a court house in the province, not a sufficient prison, not a house of correction, and not a public school house. When Mr. Pitt finally concluded that the separation of the two sections was essential it was "because he could not otherwise reconcile their clashing interests."

Among the frequent and heavy complaints of the British settlers to the Home authorities was

the statement that they had been obliged to depend for justice on the vague ideas of the Judges, and that under the Quebec Act it had not yet been settled whether the whole of the French laws, or what part of them, composed the "custom of Canada." The judges sometimes rejected and sometimes admitted entire Codes of the French law. Even the great constitutional authorities of the day in England were very much at sea regarding this matter. Pitt, speaking upon one point in the House of Commons, said that "the doubt arising from the law of insolvency arose from its being a question whether the Code Marchand of Louis XIV. was ever adopted in Canada. It was contended on the one hand that it did not appear even to have been registered in the Supreme Council; on the other hand it was insisted that it had been sufficiently acted upon to show that it might have been registered or in some other manner adopted. In this consisted the great complaint of uncertainty."

The Mother Country owed her English and French subjects an equal measure of consideration in their widely different circumstances, and to both, laws that would ensure common attachment to the United Kingdom. Had the intention of George III. and his Ministers been restricted to the remedying of this unhappy condition of things in Quebec and to counteracting those possible external influences already alluded to, the Constitutional Act which resulted would have merited the eulogium of Edmund Burke, who, summing up the whole intention of the Imperial policy said (Clarendon's Parliamentary Chronicle) that: "The Upper Colony had migrated from America and England, and they would wish to have the British Constitution. The French would prefer the French laws. The English were a body attached to the English laws and the English Constitution. Let each act on the ground of their own laws, and they would have a solid foundation for their Government."

The history of the Constitutional Act, however, demands distinct attention to the fact that the moment was considered opportune by the King and the Ministry to play a much more decisive part in Colonial affairs generally than had been the case even before the American war. In this connection, next to the grant of self-government,

it may be described as marking the most important epoch in Colonial history. Merivale, in his work on "Colonization," says that "the greater degree of control which the Mother Country then undertook to exercise both in the formation of their constitutions and in the internal arrangements of the Colonies may be estimated from various circumstances; the reservation of land by the authority of the Mother State for the Church establishment; the control exercised by the Mother State over the sale of other waste lands—perhaps the most important function of government in new countries, and one altogether inconsistent with the principles of the founders of most of our North American colonies."

Sir Erskine May, in his "Constitutional History of England," states that, "from the period of the American war the Home government awakened to the importance of Colonial administration, displaying greater activity and a more ostensible disposition to interfere in the affairs of the Colonies. Until the commencement of the difficulties with America, there had not even been a separate department for the Government of the Colonies, but the Board of Trade exercised a supervision little more than nominal over Colonial affairs. In 1768, however, a third Secretary of State was appointed, to whose care the Colonies were entrusted. In 1782 the office was discontinued by Lord Rockingham after the loss of the American Provinces; but it was revived in 1794, and became an active and important department of the State. Its influence was felt throughout the British colonies. However popular the form of their institutions they were steadily governed by British Ministers in Downing Street."

On the 4th of March, 1791, a message from the King, dealing with the future of the Province of Quebec, was transmitted to the House of Commons. This document displays the mind of George III. on the religious question. It is probable that he was entirely responsible for the idea contained therein of providing for a Protestant clergy, but not for the special provision itself, which declared that as the majority there were Catholics, it should not be lawful for the King to assent to future grants without first submitting them to the consideration of the British Parliament.

It is not required here to deal with more than the main features of the Act dividing Quebec into Upper and Lower Canada, and which, in addition to repealing so much of the Quebec Act as related to the appointment of a Council for the affairs of the Province of Quebec, and the powers given to it to make ordinances for the government thereof, provided: (a) For His Majesty's intention to erect two distinct provinces, and to constitute within each a Legislative Council and Assembly; (b) For His Majesty's authority to the Governor or Lieutenant-Governor of each Province to summon members to the Legislative Council, not fewer than seven for the Province of Lower Canada; (c) For members of the Legislative Councils to hold their seats for life, and for His Majesty to annex to hereditary titles of honour the right of being summoned to the Legislative Council; (d) For the Governor of the Province to appoint and remove the Speaker of the Legislative Council; (e) For the Governor of the Province to appoint returning officers for the term of two years from the commencement of the Act; (f) For the whole number of members in the Province of Upper Canada to be not less than sixteen, and in the Province of Lower Canada not less than fifty; (g) For the Governor to give or withhold His Majesty's assent to bills passed by the Legislative Council and Assembly, or reserve them for His Majesty's pleasure, and for His Majesty in Council to disallow any bill within two years; (h) For the establishment of a Court of Civil Jurisdiction in each Province; (i) For His Majesty's authority to the Governor to make allotments of lands for the support of a Protestant Clergy in each province, the rents arising from such allotment to be applicable to that purpose solely; (j) For the Governor, with the advice of the Executive Council, to erect parsonages, and the enjoyment of them to be subject to the jurisdiction granted to the Bishop of Nova Scotia; (k) For lands in Upper Canada to be granted in free and common socage, also in Lower Canada if desired. It was further provided that the Act should not prevent the operation of any Act of Parliament establishing prohibitions or imposing duties for the regulation of navigation and commerce; such duties to be applied to the use of the respective provinces.

Pitt, when introducing the measure to the

House, announced that in order to prevent any such dispute as that which had separated the Thirteen States from the Mother Country, it was provided that the British Parliament should impose no taxes but such as might be necessary for the regulation of trade and commerce; and to guard against the abuse of this power such taxes were to be levied and disposed of by the Legislature of each division of the Province. The text of the Bill had not been sent to Canada, but Pitt had held frequent conferences in London with Mr. Adam Lymburner and others, who were fully informed concerning the scope and meaning of the measure. When the Bill came up in the House on April 20th, Sheridan was apparently ignorant of this fact, as in Lord Clarendon's *Parliamentary Chronicle* we find him making the objection that: "It was not till lately he understood that the very persons had not been consulted in this business who were most interested and best qualified to give information. By some strange neglect he (Pitt) had not had communication on the subject with those very people from whom he was most likely to have received information and advice." As a matter of fact Mr. Lymburner had been examined at the Bar of the House on March 23rd, almost a month before Sheridan made this charge against Pitt. Mr. Lymburner had then gone exhaustively into the condition of the Province and its requirements; and his statement, along with the petition which he presented on behalf of certain of the inhabitants, remains to-day a highly interesting historical document.

The case he presented declared that while the Province belonged to France the country was thinly inhabited; agriculture and commerce were neglected, despised, and discouraged; credit and circulation were confined; and mercantile transactions were neither numerous, extensive, nor intricate because the India Company had been permitted to retain the monopoly of the fur trade which was almost the only export during that period from the Province. The French Government seemed to have been totally unacquainted with the mercantile resources of the country, and to have estimated the possession of it merely as being favourable to their policy of distressing the neighbouring British Colonies. The inhabitants



were miserably poor, and the province was a dead weight upon France.

Taking up the provisions of the proposed Act, Mr. Lyburner, in the first place, called attention to the preamble which stated that the Quebec Act was in many respects inapplicable to the present condition and circumstances of the Province. He asked for the repeal of the Quebec Act absolutely, saying: "I cannot perceive any reason for retaining that Act as part of the new Constitution." Again he declared: "I stand before this Honourable House, the agent, I have no hesitation to say, of a number of the most respectable and intelligent of the French-Canadians to solicit the total repeal of the Quebec Act. My constituents wish to receive from the British Parliament a new and complete constitution, unclogged and unembarrassed by any laws prior to this period."

The division of the Province was strenuously opposed by Mr. Lyburner. "I have not heard," he observed "that it has been the object of general wish on the part of the Loyalists who are settled in the upper parts of the Province, and I can assure this Honourable House that it has not been desired by the inhabitants of the lower parts of the country." He represented the proposed division as an unwise step because "if from experience the division shall be found dangerous to the security of the Government, or to the general interests of the people, it cannot again be united." Further he declared that:

"The new Province of Upper Canada will be entirely cut off from all communication with Great Britain, their government will be complete within itself, and as from their situation they cannot carry on any foreign commerce, but by the intervention and assistance of the merchants of Quebec and Montreal, they will, therefore, have very little reason to correspond with Great Britain and few opportunities of mixing in the society of Britons. How far these circumstances may operate in gradually weakening their attachment to this Kingdom I shall leave to the reflection of the honourable members.

The geographical features of Upper Canada furnished the speaker with another argument that is not uninteresting in this age of triumphant engineering, and is illustrative of how mistaken a man may be in making prophecies. "The falls of Niagara," he urged "are an insurmountable

barrier to the transportation of produce. Detroit can never be made more than a small settlement; Quebec is nearly in the centre of the cultivable part of the Province. The new settlers might be content to choose for their Deputies gentlemen in Quebec and Montreal, connected with them in the line of business." Mr. Lyburner also vigorously objected to the proposal of the Bill touching the constitution of the Legislative Council. Of this he said: "It is proposed that the office of member of the Legislative Council may, at His Majesty's pleasure, be made hereditary, so as to form a kind of nobility or aristocratic body in that Province. This, Sir, is going further than the people have desired, as this Honourable House will see by their petitions, for they have therein only requested that the Councillors should hold their places during life and reside in the Province." This was one of the points of sharp debate in the House though Pitt declined to give way upon it.

It was not until May 6th that the historic debate upon the measure was opened by Burke. Some of his utterances, found in Lord Clarendon's *Parliamentary Chronicle* of that date, cannot be ignored in any survey of the passage of the Act. He began his argument by pointing out that the Province of Quebec had been acquired by conquest, which carried with it all the rights of ancient government and all its duties to govern by the rules of justice and equity, and to promote the essential interests of the persons governed. The British nation had been in the undisputed possession of Canada for more than thirty years, and they were consequently bound to give that country what in their estimation was the best form of government. They ought to employ their utmost exertions for the happiness, quiet, satisfaction, and rational liberty of the people they governed; and on the other hand the inhabitants of Canada were bound to obey. This was the law of nations, and for that reason and upon that ground he found a competency in the House to make laws for Canada. The question of competency being settled, the next thing to which they were to proceed was upon what principles they were to make those laws.

Canada stood in a double relation to Great Britain with regard to its internal happiness and with regard to its external security. A new light



had arisen upon the horizon of France. The French Academies uniting with French clubs, had discovered a new mine of wisdom which their forefathers dreamed not of. They had excited the blaze of liberty with the torch of sedition, and had diffused the flame of freedom by the help of *La Lanterne*. With respect to this new species of humanity which had lately made its appearance in France, and which a rebellious, frantic, and murderous democracy had dignified with the name of government, he held it utterly unworthy the attention of any legislator whatever. There were three authorities in the modern world which he conceived would be of great weight. The first was the American Constitution, the next the French Constitution, and the third was the British Constitution. He knew no others that were likely or fit to be resorted to as precedents. With regard to the American Constitution there was no doubt, when they were making laws for a province in the vicinity of the United States, that very great consideration should be used so that the inhabitants of Canada might see nothing in the situation or government of the American States to excite their envy or their discontent.

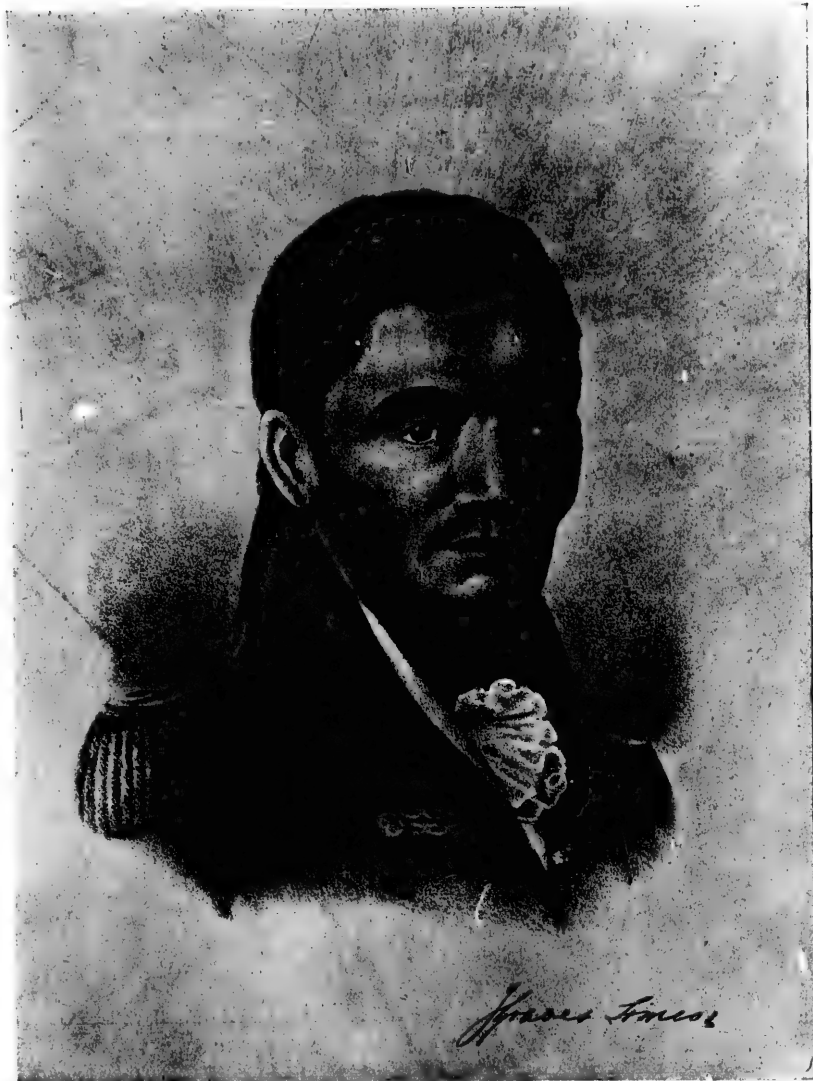
"If Parliament," he continued, "should offer them the British Constitution, there was no danger that they would prefer the American Constitution to it, since they had emigrated from the United States and had fled from the constitution which might be supposed to be an object of their jealousy. This they had deserted, and had taken refuge under the British Monarchy, and therefore the British Constitution, it was clear, had not displeased the people of that country to such a degree as to shock their inveterate prejudices." The speaker continued in a long and powerful speech to contend that in giving them the British Constitution they were in no danger of giving them what would make them envy their neighbours. If he chose the British Constitution for them he should offer no violence to their minds, nor afford them any subject of jealousy. With respect to the Frenchmen who were established in Canada, humanity to a conquered people required perhaps that Parliament should consider whether Great Britain should not, on their account, establish the system of France. The province being a conquered country was, however,

no reason for treating the inhabitants hardly, or using them ill.

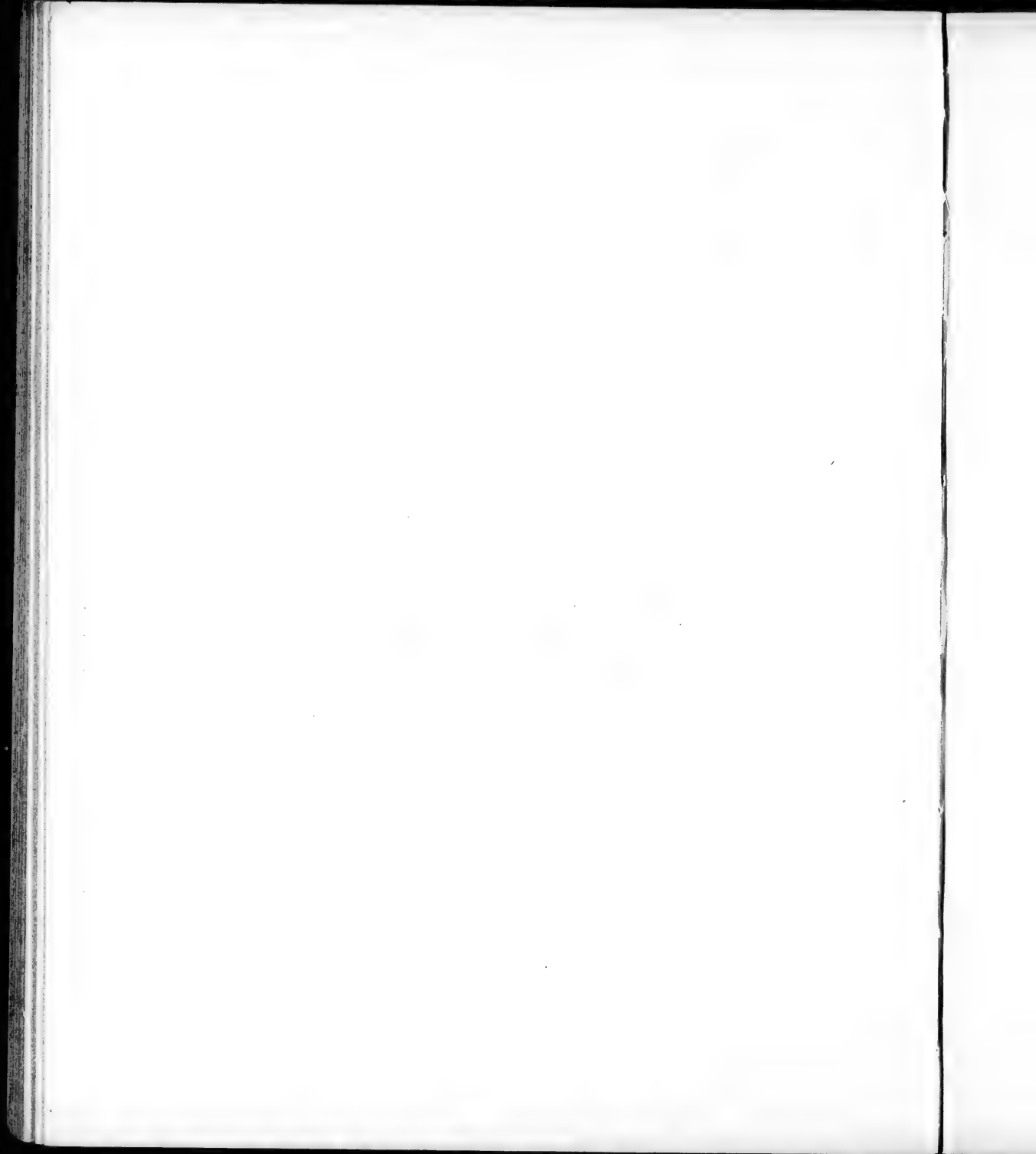
On the contrary it ought to operate as a double reason for behaving to them with justice and equity. And they were also entitled to all possible tenderness and respect. He would ask what was the consideration with respect to them which should induce the adoption of the French Constitution for Frenchmen. The constitution was founded on principles diametrically opposite to those he had stated, no part of what had been done in France being at all applicable to the British system. The French Constitution was, in fact, directly the reverse of the English one. It was in all its parts vicious and impracticable. It could not be engrafted on the English Constitution. It was as distant from it as Heaven from earth and wisdom from folly, and they ought not to give their colonies, for the sake of experiment, what they would not take themselves.

In the course of this impassioned speech its author had been repeatedly called to order, and Fox reflected bitterly upon the course Burke had taken. The latter retorted that the address of Fox was the most disorderly ever delivered in the House. The *Parliamentary Chronicle* says: "Mr. Fox rose again; but so much was his heart and mind affected by the circumstances of the debate that it was some moments before he could proceed. Tears rolled down his cheeks and he strove in vain to give utterance to feelings that dignified and exalted his nature. We never saw him so moved, and in justice to the House we must say that they sympathized in the sufferings of his ingenuous temper."

During the subsequent debate Fox defended himself against the accusations made by both Pitt and Burke that his principles trench too much on Republicanism. Pitt had declared that Burke's struggle in favour of the constitution justly entitled him to the warmest gratitude of his fellow-subjects. Burke, returning to the attack on Fox, continued: "With whatever craft or subtlety gentlemen might endeavour to gloss over their proceedings, he boldly avowed in the face of the public that there was a section in this country, restless and turbulent, who wished to supplant the British Government by the introduction of the French Constitution." Pitt again defended



LIEUT.-GENERAL J. GRAVES SIMCOE.



the provision for an Hereditary Council, in imitation of the House of Lords, on the ground that an elective council would have too strong an infusion of Republican principles.

Fox expressed vigorous opposition upon this point. The *Parliamentary Chronicle* reports him as declaring that upon every ground of consideration it would be wise, and what was more, indispensably necessary, that an aristocracy should not be made a branch of the constitution in Canada. Having described what was the aristocracy forming part of the British Constitution, he said no aristocracy could be obtained for the proposed constitution of Canada. He would ask whether there was any one who from services could claim the distinction of nobility in that province; whether there were any that the prejudices of the people respected as nobility? He believed none. Therefore the institution of an aristocratic power must be the work of time. Distinctions in society, he observed, operated more powerfully on man than any lucrative acquisition. It was the medicine of the mind which cured the evil resulting from the boldest enterprise and gratified the anxieties of ambition. But how the honourable gentleman (Pitt) could infuse these transcendent qualities into the hearts of an upstart nobility in Canada remained for him to determine. Although he might astonish the world when least expected by his wonderful political sagacity, yet he advised him to desist from his present absurd plan, which contained nothing of a conciliatory nature. Fox then made the substitute proposal that the Legislative Council should be elected, not from those who composed the Assembly, nor from those who elected the Assembly, but from a superior body of men possessed of certain property which gave them a qualification.

Pitt defended his views. He strictly wished, he said, to give Canada as perfect a constitution as possible, and therefore he should give it the aristocracy of Great Britain. The outline of the British Constitution and the mixture of monarchy, aristocracy, and democracy formed what it was the intention of the Bill to transmit to Canada, and to apply the constitution entire in all its parts, not in any particular one. Aristocracy must have a beginning, must come from the King. The increase of riches and commerce which he believed

would arise from the new constitution in Upper Canada would soon furnish more than would be fit objects of preferment to honours and distinction, and though emancipated from their old system, he was not afraid they would throw off their allegiance as other colonies had done, and this was one reason why the same system had not been offered to them as had been formerly abused by others.

Burke advanced the views expressed by Pitt still further by declaring that it was true they could not have in Canada an ancient hereditary nobility because they could not make one hundred years old what was but of a day; but an elective council would clearly be a democratic council. Wilberforce advocated the same policy by saying that though at first they could produce only saplings of an aristocracy, in the course of years these would become forests capable of bearing up against any innovation of the Crown or people. The debate was then diverted by Fox to the provision for a Protestant clergy. It was improper, he said, to provide for a Protestant clergy only. Pitt answered that the clause in the Bill allowed the Governor the discretion of distributing lands to Protestant clergy of any description; and though those belonging to the Church of England would be most encouraged, provision would no doubt be made for others where it might be found necessary.

On the motion to read the Bill a second time Fox brought on a division over the clause providing for hereditary legislators in Upper and Lower Canada, also on that admitting the number thirty to be sufficient for the Assembly of Lower Canada. The majority against him was 49; Ayes 88, Nays 39. Pitt then immediately moved to make the number fifty instead of thirty. This was carried over an amendment by Fox that the number be one hundred.

On May 30th the Bill was discussed in the House of Lords. Counsel were called to the Bar in support of a petition that had been presented against the Bill. This debate is interesting as throwing some light on the character of Colonel Simcoe, the first Governor chosen for Upper Canada. Lord Rawdon said that their choice had fallen on a gentleman who was, he was persuaded, of all the men in England the most adequate to

the situation. Intelligence, liberality and a spirited activity were decided requisites, which it was more easy to point out as peculiar qualifications than to find united in one individual. Such, however, he could take upon himself to say, were eminently possessed by the intended Governor. He hoped the Ministers would properly reward a man who was about to give up the tranquil enjoyment of ease and affluence and devote himself at a critical period to a public service.

Having followed the Constitutional Act in its passage through both the Imperial Houses, it is only necessary to record a few dates relating to its operation. On August 24, 1791, two orders were passed by the King-in-Council, one making the division of Quebec into the provinces of Upper and Lower Canada, the other authorizing the Governor to fix a day for the Act to go into operation. Lord Dorchester had left on August the 17th, and the Government being in the hands of Major-General Alured Clarke, he as Lieut-Governor, proclaimed Dec. 26th, 1791, as the day when the division of the Province should take place. H.R.H. Prince Edward—afterwards Duke of Kent—commanding the Royal Fusiliers, arrived on *H.M.S. Ulysses* on August 12th to be present on the occasion. By a Proclamation dated at Quebec, 7th May, 1792, Lower Canada was divided into counties, cities, and towns, defined as follows in regard to representation in the Assembly: (Counties) Cornwallis, Devon, Hertford, Dorchester, Buckingham, Richelieu, Surrey, Kent, Huntingdon, York, Montreal, Effingham, Leinster, Warwick, St. Maurice, Hampshire, Quebec, Northumberland (18) entitled each to two representatives; (Counties) Gaspé, Bedford and Orleans (3) each of which was to return but one representative; (Cities and Towns) Quebec and Montreal respectively to return four representatives. Three Rivers two, and William Henry one—in all 50.

The Proclamation dividing Upper Canada for the purposes of representation was issued at Kingston by Lieut.-Governor Simcoe, on July 16th, 1792, as follows: Glengarry, two ridings, each to have one representative; Stormont, Dundas and Grenville, each to have one representative; Leeds and Frontenac to be represented together by one member; Ontario and Addington

to be represented together by one member; Prince Edward with part of Lennox, one member; Hastings and Northumberland, one member; Durham and York and the first riding of Lincoln one member; the second riding of Lincoln one member; the third riding of Lincoln one member; the fourth riding of Lincoln, together with Norfolk, one member; Suffolk and Essex together one member; Kent two members; in all 16.

Lieut.-Governor Clarke's proclamation announcing the issue of writs for the election of the First Assembly of the Province of Lower Canada was dated May 14th, 1792, the writs being made returnable July 10th following. The first parliament of Lower Canada met at Quebec on December 17th, 1792; the first parliament of Upper Canada met at Niagara (Newark) on September 17th, 1792. The Constitutional Act was thus put into operation in Upper and Lower Canada. For twenty years it continued to give a fair measure of satisfaction. I have stated that it was framed at a moment when Western civilization had arrived at a crisis of the most vital character; also that it was designed practically to attach to Downing Street the administration of a weak, divided, and exposed colony. However, the constitution whose *ægis* it spread over the heads of distant Colonists was then, as it is still, undergoing a slow but certain development. As the constitution of a century ago produced and maintained security long enough to avert the dangers that existed at its origin it cannot be considered a failure. All of its provisions were not suited to the absolutely unique needs of the people for whom it was intended to provide a system of government, but in some respects where it was calculated to run counter to progress and Imperial unity, no effort was made to force Colonial feeling. The provision to make the office of Councillor hereditary was never once acted upon either in Upper or Lower Canada.

The general effect produced by the measure was immediately favourable. An unanimous determination would in fact seem to have manifested itself in both Provinces to co-operate in the policy of the Home government. This feeling in itself helped temporarily to promote harmony between the two races; but whether the operation of the new constitution ever got beyond the

experimental stage is a question to be examined altogether apart from the success achieved during the period—1792 to 1810—when the Act was working well. Thenceforward the tendency of Canadian political development seems to have turned sharply upon the popular dislike to any power-holding class in the State. The growth of a party spirit doubtless gave definite aim to this new influence in the field of politics, and also weakened the barriers that had arisen against the old evil of race prejudices. An irruption of this latter disintegrating influence quickly followed, making the fate of the Colonies more and more to depend on the exercise of the Imperial authority. Of course the further events drifted in this direction the more pronounced grew the general discontent.

This revival of Canadian distractions happened at a time of embarrassment and anxiety in England. War and commercial depression were the

conditions which marked the closing years of George the Third's reign. The personal influence of the King, which had been so weighty a factor in the Imperial policy of twenty years before, was no longer felt, and it cannot be doubted that a growing sentiment of mistrust was abroad in Canada in 1812. That year, however, stands forth like a milestone marking the final stage of the better feeling produced by the Constitutional Act. When the crisis of war came it was met by a patriotic and almost unanimous response to the American invaders. But the stirring events of 1812-14 could not arrest the Canadian political evolution which, keeping pace with the spirit of reform in England, was gradually but surely preparing the way through devious by-paths of agitation and constitutional storm for the re-union of the provinces in 1841 and for a subsequent period of intense disquiet.

**The British Governors-General of Canada,** from the cession until the Union of 1841 must not be confused with the various Lieutenant-Governors of Upper or Lower Canada—some of whom acted as administrators from time to time.

The Governors-General were as follows :

- 1760. General Lord Amherst.
- 1764. General James Murray.
- 1768. General Sir Guy Carleton.
- 1778. General Sir Frederick Haldimand.
- 1786. Guy Carleton, Lord Dorchester.
- 1797. Major-General Prescott.
- 1807. Sir James H. Craig.
- 1811. General Sir George Prevost.
- 1816. Sir John Coape Sherbrooke.
- 1818. Charles, Duke of Richmond.
- 1820. George, Earl of Dalhousie.
- 1831. Matthew, Lord Aylmer.
- 1835. The Earl of Gosford.
- 1838. The Earl of Durham.
- 1839. Sir John Colborne (Lord Seaton).
- 1839. Charles Poulett Thompson (Lord Sydenham).

The Administrators included Sir Gordon Drum-

mond, Sir Peregrine Maitland, and Sir James Kempt.

**Lieut.-General John Graves Simcoe**, the first Lieut.-Governor of Upper Canada, was born in Northamptonshire, England, in 1752. His father was a Captain in the Navy and was killed during the siege of Quebec in 1759. The son was educated at Eton and Oxford, and at the age of nineteen entered the Army as Ensign in the 35th Regiment. After serving in America at the battle of the Brandywine and elsewhere, he obtained in 1777 the command of the Queen's Rangers—a Royalist Regiment which soon became famous and took part in nearly every battle of the Revolutionary war until its unfortunate surrender with Cornwallis at Yorktown. After this Colonel Simcoe returned to England. He was cordially received by the King, elected to Parliament, and married to a daughter of Admiral Graves. In 1791 he returned to Upper Canada as its first Lieut.-Governor, after the passage of the new Act, and served with distinction for five years, when he was appointed Governor of St. Domingo with the rank of Lieut.-General. In 1801 the command of Plymouth was entrusted to him at a time when the

French invasion was anticipated, and in 1806 he was despatched with the Earl of Rosslyn and Admiral, the Earl of St. Vincent, upon an important expedition to Portugal. Upon the voyage, however, he was taken ill and returned home to die. His services to Canada, and Ontario in particular, rank with those of better known though not greater men.

**Adam Lymburner** was a native of Kilmarnock, Ayrshire, and was born in 1746. He succeeded to the business of his brother John, when the latter, in 1775, sailed from Quebec, and was lost at sea. He was for many years a member of the Executive Council of the Province, but finally took up his residence in London, where he died on the 10th of January, 1836. He lived to see the completion of the first Lachine canal, in 1823, and the Carillon-Grenville canal, with the Rideau navigation to Kingston, in 1832. The Welland canal had been completed in 1829. By these important works the district of Niagara, which he had described in London as the limit of civilization, had become the central part of Upper Canada, while the province to its western limit at the Detroit river had become well inhabited. His selection by the English-speaking merchants and settlers in Canada to present their views upon the workings of the Quebec Act to the British Government, and his eloquent speech at the Bar of the House of Commons, will preserve his name prominently upon the pages of Canadian history.

When the changes of 1791 were contemplated the Colonial Secretary called upon Lord Dorchester to report upon the form of civil government and code of law which it might be advisable to introduce. Dorchester's statement declared that any change in the constitution should be gradual and that a firm and paternal administration was the best cure for existent troubles. The Loyalist settlement in the west he regarded as unprepared for any organization higher than that required for a county, and he thought that no time should be lost in selecting an able Lieut.-Governor for the four western districts. He strongly counselled an early decision on this subject. In case the division of the Province was to take place, he submitted suggestions as to the best line of separa-

tion. In 1789 he was notified that the division was definitely determined upon and a draft of the proposed Bill was sent to him for consideration and any observations he might deem expedient.

On October 20th, Grenville, then Colonial Secretary, gave a general view of the policy which it was proposed to inaugurate, in the following words:

"Your Lordship will observe that the general object in this plan is to assimilate the constitution of that Province to that of Great Britain, as nearly as the difference arising from the manners of the people and from the present situation of the Province will admit. In doing this, a considerable degree of attention is due to the prejudices and habits of the French inhabitants, who compose so large a proportion of the community, and every degree of caution should be used to continue to them the enjoyment of those civil and religious rights, which were secured to them by the Capitulation of the Province, or have since been granted by the liberal and enlightened spirit of the British Government."

From the first it had been resolved to make the office of Legislative Councillor hereditary, but the proposal did not receive Dorchester's support. He pointed out that if the prosperity of the country furnished the means of supporting the dignity, some advantages might result from the system. But as the changeable conditions of wealth in a new country might expose hereditary honours to possible contempt, he recommended that for the present members should only be appointed during life, good behaviour, and residence in the Province. This wise recommendation was not accepted and the clause conferring hereditary honours was retained in the Act, though it was never put into force.

During this constitutional controversy it is interesting to note that the establishment of the present Dominion Parliament was clearly anticipated by Chief Justice Smith. Of course circumstances hardly admitted any practical consideration of the idea owing to the small, scattered population and the expense which would have been entailed. The theory, however, received a certain recognition in the appointment of Lord Dorchester as Governor-General in 1786. He then entered upon his duties as Governor-General of British North America, which included Canada



and the two provinces of Nova Scotia and New Brunswick.

The suggestion referred to was contained in a letter from Chief Justice Smith to Lord Dorchester, and was by him forwarded to the Home Government. The Chief Justice pointed out that the new Act was laying the foundation of two flourishing provinces "for more to grow out of them, to compose at no remote period a mass of power very worthy of immediate attention." What was needed in order to form them into one general combination for the "united interests and safety of every branch of the empire," was a sort of federal system. He believed the revolt in the old (American) provinces to have been due to the fact that the country had outgrown its government. The difficulty had arisen from the exercise of government by many petty legislatures with no controlling power, and from the fact that those constituting them had been taught to consider they were the true substance of authority and the Provincial Governor and Council only its shadow. Thus a democratic spirit had been encouraged, uncon-

trolled by a central administrative authority which might have developed some common political life and formed the self-governing provinces upon lines of Imperial policy in which their own safety and the common welfare would have been equally consulted.

With this view the Chief Justice recommended a Legislative Assembly and Council for the whole of British America south of Hudson's Bay and north of Bermuda, to make laws for the good government of all the provinces. The members of the Council were to be appointed for life; the Assembly was to be elected by the Provincial House of Assembly of each province, and to be summoned once in two years; the Legislature was to continue for seven years; the Governor-in-Chief was to have the power to assent to a Bill or to leave it for the Royal pleasure, and to hold power above that of the Lieutenant-Governors. The Provincial Acts were to be submitted to the central government for approval, which, if expedient, could be withheld. All acts of the central Council were to be subject to Imperial disallowance.

## CANADA UNDER EARLY BRITISH RULE

BY

JOHN READE, F.R.S.C.

THE closing years of French power in Canada were characterized by much which made the memorable change of rule not only tolerable, but desirable. Apart from any consideration of the almost constant and decimating warfare which had been waged between the French settlers and the British and Indians, the rapacity and venality of such men as Intendant Bigot and his accomplices had served in no small degree to make the French Government of Canada odious and contemptible in the eyes of the French-Canadians themselves.

Agriculture was neglected. To such an extent was the farmer a prey to the exactions of the rulers, the seigneurs and the soldiery that he had no heart to apply himself diligently to the tillage of the land. He was, moreover, liable at any moment, perhaps in the very work of harvesting, to be called away for military service. He had reason to be satisfied, considering the precariousness of his circumstances, if he gained sufficient to clothe and feed his body and those of his family. The implements which he used were such as his ancestors had brought from France generations before, and of science in connection with his labours he had never heard. His mode of farming was, therefore, of the rudest kind, as, indeed, that of the Canadian *habitant* still is in districts remote from the influence of progress. Nor was there any apparent prospect of improvement.

Of manufactures there were none worth speaking of, and trade was in the hands of a few. Commerce was forbidden fruit to all but the favourites of the existing government. To these, and to adventurers who had no stake in the country, belonged the produce of river and lake and forest—the fish, the fur, and the timber. The population, which was estimated at 60,000 at the time of the conquest, was, as may be imagined, scat-

tered over a large area. With the exception of Quebec, Montreal, and Three Rivers, there were no towns worthy of the name. There were the beginnings of villages at St. John's, L'Assomption, Berthier, Sorel, and other places, but the great mass of the inhabitants was settled along the banks of the St. Lawrence or its tributaries. Some of the more adventurous had taken to the wild, free life of the woods, and had identified themselves by habits or inter-marriage with the aboriginal tribes.

Small as the population was, it was distinctly marked by lines of social partition—the influential middle class of the present day being, however, wanting. The noblesse, the gentry, the higher clergy, and the few wealthy traders, formed a society which was modelled on that of the French mother-country. Between this class and the mechanics and peasantry there was no connecting link except what was supplied by the ministers of religion, whose office made common to all. There are still in the rural districts of Lower Canada communities which resemble in most respects those into which the population of New France was divided before the conquest. An earnest quest might still discover many villages of Longpré, a few "Evangelines," and an occasional "Basil the Blacksmith," in the Arcadia, if not the Acadia, of our Dominion. And they are certainly not less prosperous and happy to-day than their forefathers were in the days of Intendant Bigot, or would ever have been under the rule of France either before or since the tragic disappearance from the stage of life of "Monsieur and Madame Capet." It is, nevertheless, heartily to be wished that they were more so.

During the period between the conquest and the Treaty of 1763, many of the French residents of the towns returned to France, but the great

bulk of the people chose to remain. A good number of the soldiers who took part in the subjugation of the country settled in Canada, and not a few of them chose wives from among the daughters of the *habitants*, as their descendants are still living to attest. Scotch names especially abound in the French Canada of to-day. There are Camerons, Frasers, Morrisons, Armstrongs, Reids, Murrays, and McKenzies, who never spoke a word of English, and who are quite unconscious of any anomaly in their names and speech. English, Irish, Welsh, and German names are found, though in less number. There were also, probably, occasional accessions of British blood by immigration from the British colonies before the conquest. To such immigration, no doubt, the latter event gave a considerable impulse. But however the British colonization of French Canada began, the English-speaking portion of the population had acquired considerable influence and wealth before the first lustrum after the Battle of the Plains had passed away. The establishment of the *Quebec Gazette* by an English-speaking firm in 1764 is sufficient proof of this, which proof receives additional confirmation from the many and various English advertisements which its first numbers contained.

Whatever shock the change of masters may have given to the few who were most deeply interested in the continuance of the old *regime*, there is little reason to doubt that it was soon considered as generally satisfactory. The victors imposed no hard yoke on the vanquished. On the contrary, the latter were left in undisturbed possession of all those institutions which they most valued, while many oppressions under which they had long suffered were removed. There was, naturally, some jealous impatience of the power of officials who were aliens in blood and language, but disputes of any importance on grounds of origin were not destined to arise till long afterwards. Eleven years after the conquest, among some verses read by the pupils of the "Petit Seminaire" of Quebec to Governor-General Sir Guy Carleton, on the occasion of a visit paid by His Excellency to that institution, occur the following words:

" Apprends donc en ce jour de fete

A ne plus deplorer ton sort,  
Peuple, aux justes loix plus fort  
Soumis par le droit de conquete."

Much of the contentment manifested by the French-Canadians of that time with the English Government was undoubtedly due to the clergy, who, besides their ordinary pastoral influence, had also charge of the houses of education. Patriotic sentiment apart, they had little cause to be dissatisfied with the change, and the time was soon to come when they might well regard it as a blessing. The chief difficulties between the two sections of the population arose with regard to the laws for the administration of property and the use of the French language in the courts of law. But these difficulties were settled with equitable consideration for the majority. At all times, however, there was an extreme French party amongst the French, and an extreme English party amongst the English. To what dissension and bloodshed the high-handed conduct of the latter afterwards led is well known; yet, ultimately, through the sinuous course of events, it was the means of producing the constitution, so fair for all parties in the State, which is now enjoyed. *Sic itur ad astra.*

One has only to recall the ideas which actuated the policy of British statesmen a hundred years ago, or even at a much later period, as to all questions connected with popular representation, to be aware that this ripe fruit of modern liberty had no place in the system of government which was established after the conquest. The Governor and Council were the Legislature. The people's duty was to be ruled and taxed, and to obey the laws. Still, from the conquest to the Constitutional Act of 1791 (in which year, also, Upper Canada became a separate Province), it does not appear that Canada laboured under greater disadvantages of administration than the rest of the world. Quite otherwise; she is the gainer in the comparison. Her refusal to join with the thirteen insurgent colonies goes far to prove that her people were fairly treated, and were happy enough to be sturdily loyal. The general results of the change which was effected by Wolfe's victory were well summed up by

the late Mr. Papineau, one of the ablest men whom Canada has produced, in a speech which he delivered to the electors of Montreal West in the year 1820. Speaking of his country as it was under French rule, he says:—

"Canada seems not to have been considered as a country which, from fertility of soil, salubrity of climate and extent of territory, might then have been the peaceful abode of a numerous and happy population; but as a military post, whose feeble garrison was condemned to live in a state of perpetual warfare and insecurity; frequently suffering from famine, without trade, or with a trade monopolized by private companies, with public and private property often pillaged, and personal liberty daily violated. Year after year the handful of inhabitants settled in the Province, were dragged from their homes and families to shed their blood and carry murder and havoc from the shores of the great lakes, the Mississippi and Ohio, to those of Nova Scotia, Newfoundland and Hudson's Bay. Such was the situation of our fathers."

He then goes on to contrast with this sad picture the condition of the country under British protection: "Behold the change. George III., a Sovereign revered for his moral character, attention to his Kingly duties, and love of his subjects, succeeds to Louis XV., a prince then deservedly despised for his debauchery, his inattention to the wants of his people, and his lavish profusion of public moneys upon his favourites and mistresses. From that day the reign of law succeeded to that of violence; from that day the treasures, the navy, and the armies of Great Britain are mustered to afford us an invincible protection against external dangers; from that day the better part of her laws became ours, while our religion, property, and the laws by which they were governed remained unaltered." Such an acknowledgment from such a man is right worthy of being had in remembrance. To Sir Guy Carleton, afterwards Lord Dorchester, who governed Canada altogether for nearly twenty years, and who took a deep and practical interest in its well-fare from the conquest (in which he had a share) till his death in 1808, is due in no small degree whatever of prosperity came to be its lot during the period of British possession in the last century. As a leader in peace and war he has had few equals. His administration, which was just without being harsh, firm and yet conciliatory; his bravery as a soldier and his skill as a general, as

well as his private virtues, deservedly won for him the admiration, esteem, and affection of all who came within the circle of his influence.

Let us now enquire what was the social condition of Canada under British rule in the last century.

If there were nothing left to the enquirer but the single advertisement of John Baird, which appeared in the first number of the *Quebec Gazette*, as the basis of information, he might, with a moderate power of inductiveness, construct a very fair account of the mode of living pursued at Quebec a hundred years ago. But the fact is that he is overwhelmed with data, and his chief difficulty is to choose with discrimination. There is certainly ample evidence to show that the inhabitants of the ancient capital did not stint themselves in the luxuries of their day and generation. The amount of wine which they consumed was something enormous, nor are we wanting in proof that it was used among the better classes to an extent which public opinion would not allow at the present day. A correspondent, more inclined to sobriety than his fellow-citizens, after complimenting Quebec society for its politeness and hospitality—in which qualities it still excels—finds fault with the social custom by which "men are excited and provoked by healths and rounds of toasts to fuddle themselves in as indecent a manner as if they were in a tavern or in the most unpolished company." In connection with this state of affairs it may be interesting to give the prices of different wines at that period: Fine Old Red Port was sold at 17 shillings a dozen; Claret at 12s.; Pruniac at 17s.; Muscat at 24s.; Modena at 27s.; Malaga at 17s.; Lisbon at 17s.; Fyall at 15s.

Mr. Simon Fraser, perhaps one of those converted Jacobites who scaled the Heights of Quebec in 1759, and then turned civilian, gives us the prices of tea: Single green tea is 13s. a pound; best Hyson, 25s.; Bohea, 6s. 6d. Pity that tea was so dear and wine so cheap! Bread was very cheap, and large quantities of wheat were exported—whereas now Lower Canada has to import the most of its cereals. Great attention was paid to dress, and though no sumptuary laws were in force, the principle on which they were founded was still remembered, and attire bespoke the

position of the wearer. The articles and styles advertised by drapers and tailors were, of course, in accordance with the manufacture and fashion of the time. The list of dry-goods and fancy goods was very full, but to those engaged in the business the antique nomenclature might be puzzling now. Irish linen was sold at from 1/6 to 7/0 per yard, and Irish sheeting at from 1/6 to 2/6. We are not told the prices of tammies or durants, romals or molletons, cades or shalloons, but we are always carefully informed that they may be had at the lowest prices. Pains were also taken in many instances to indicate the previous experience of the advertisers. Thus tailors and mantuamakers generally hailed from London. Mr. Hanna, the watchmaker, whose timekeepers still tick attestation to his industry and popularity, was proud to have learned his trade by the banks of the Liffey. Mr. Bennie, tailor and habit maker, from Edinburgh, in the pages of the *Gazette*, "begs leave to inform the public that all gentlemen and ladies who will be so good as to favour him with their custom may depend upon being faithfully served on the shortest notice and in the newest fashion for ready money or short credit, on the most reasonable terms." There were peruke-makers in those days, and they seem to have thriven well in Quebec, if we may judge by their advertised sales of real estate. Jewellers also seem to have had plenty to do, as they advertised occasionally for assistants instead of customers. Furriers, hatters, couturiers, and shoemakers also presented their claims to public favour, so that there was no lack of provision for the wants of the outer man.

From the general tone and nature of the advertisements it is easily inferred that the society of Quebec, soon after the conquest, was gay and luxurious. We are not surprised when we find that a theatrical company thought it worth their while to take up their abode there. Among the pieces played we find Home's "Douglas" and Otway's "Venice Preserved." The doors were opened at five o'clock, and the entertainment began at half-past six! The frequenters of the "Thespian Theatre" were a select and privileged class, and only subscribers were admitted. Private theatricals were much in vogue; and, indeed, there was every variety of amusement which cli-

mate could allow or suggest, or the lovers of frolic devise.

For education there does not seem to have been any public provision, but private schools for both sexes were numerous. These were probably expensive, so that the poorer classes were virtually debarred from the advantages of learning. The instruction of Catholic children was in the hands of the clergy, and it may be that in some of the conventual schools a certain number were admitted free of expense or at reduced rates. It would appear that some of the young ladies were sent to England to boarding-schools, if we may judge by advertisements in which the advantages of these institutions are set forth. It may be inferred, then, that the wealthier classes of Canada in those days had much the same advantages of culture as their friends in England. Inter-course with the mother country was much more general and frequent than might on first thought be imagined, and, no doubt, many young gentlemen, after preliminary training at a colonial academy, were sent home to enter some of the English public schools or universities. From the higher ranks downwards education varied till it reached the "masses," with whom its index was a cipher. There is no reason to suppose, however, that the population of Canada, taken as a whole, was less cultivated during the last forty years of the eighteenth century than that of any European nation during the same period.

From the consideration of education one naturally passes to that of crime. Thefts were frequent, and sometimes committed on a large scale. The punishment was whipping at a cart-tail through the streets of the city—the culprits themselves being whipped and whippers in turn. Assault, stealing in private houses, and highway robbery were punished with death. The expiation for manslaughter was being branded in the hand which did the deed. Desertion was very frequent, especially among the Hessians and Brunswickers then stationed in Canada. In some cases they were promised pardon if they returned to their regiments, but woe to them if they returned against their will! Towards the end of the year 1783 "Gustavus Leight, a German doctor, confined for felony, broke out of His Majesty's gaol at Quebec." He was "25 years of age, about

5 feet high." We are not told whether he was captured, as the advertisement is continued to the end of the year, but if he did not change his dress he could not have succeeded in baffling very long the keen eye of a detective, for "he had on, when he made his escape, a brown coat, red plush waistcoat, white stockings and a cocked hat." If such a gentleman made his appearance in the streets of any Canadian city to-day he would certainly be requested to "move on" or asked to "explain his motives." One thing is certain, that prisoners for felony in the year 1783 had not to submit to any arbitrary sumptuary arrangement—at least in the Quebec goal. The general state of society in Montreal, as well as in Three Rivers, St. John's, L'Assomption, Terrebonne, Sorel, and the other towns and villages in existence at the period which we are considering was, in all probability, very like that of Quebec—the last mentioned place having, of course, a certain *prestige* as the capital.

It would be futile to attempt to give an accurate picture of the appearance of Montreal or Quebec at that distant date, and a description pretending to accuracy would not be possible without the collation of more ancient records than are easily obtainable by one person. The names of some of the streets, such as Notre Dame, St. Paul, and St. Antoine in Montreal, and St. John's, Fabrique, St. Peter, and others in Quebec, are still unchanged. Villages near these towns, such as Ste. Foye, Beauport, Charlesbourg, Sault-aux-Recollets, St. Denis, Ste. Therese, etc., are also frequently mentioned in the old *Gazettes*. Detroit and Niagara were places of considerable importance, and St. John's, Chambly, Berthier, L'Assomption, L'Acadie, and several other places were much more influential communities in comparison with the population of the country than they are to-day. The authorities at Quebec and Montreal were not wanting in endeavours to keep these cities clean, to judge, at least, by the published "regulations for the police." Every householder was obliged to put the Scotch proverb in force, and keep clean and "free from filth, mud, dirt, rubbish, straw, or hay" one-half of the street opposite his own house. The "cleanings" were to be deposited on the beach, as they still are in the portions of Montreal and Quebec which bor-

der on the river. Treasure-trove in the shape of stray hogs could be kept by the finder twenty-four hours after the event, if no claim had been made in the meantime; and if the owner declared himself in person or through the bellman, he had to pay 10s. before he could have his pork restored. Five shillings was the penalty for a stray horse. The regulations for vehicles, slaughter-houses, sidewalks, markets, etc., were equally strict. Among other duties, the carters had to keep the markets clean. The keepers of taverns, inns, and coffee-houses had to light the streets. Every one entering the town in a sleigh had to carry a shovel with him for the purpose of levelling cahots which interrupted his progress, "at any distance within three leagues of the town." The rates of cabs and ferry boats are fixed with much precision. No carter was allowed to plead a prior engagement, but was to go "with the person who first demanded him, under a penalty of twenty shillings." The rate of speed was also regulated, and boys were not allowed to drive.

Constant reference is made to the walls and gates of Montreal as well as Quebec, and there is reason to believe the smaller towns were similarly fortified. Beyond the walls, however, there was a considerable population, and many of the military officers, government officials, and merchants had villas without the city. The area in Montreal which lies between Craig, St. Antoine, and Sherbrooke streets were studded with country houses with large gardens and orchards attached. The seigneurs and other gentry had also fine, capacious, stone-built residences, which much enhanced the charm of the rural scenery. Some of the estates of those days were of almost immense extent. The Kings of France thought nothing of granting a whole Province, and, even in British times, there were gentlemen whose acres would have super-imposed an English county. The extraordinary donation by James I. of a large portion of North America to Sir William Alexander was not long since brought before the public by the claims of his descendants. Large tracts of land were given away by Louis XIII., Louis XIV., and other French Kings, as well as by Oliver Cromwell and the Stuarts; while the same extravagant system of entailing unmanageable wealth on companies and individuals was

continued to some extent after the conquest.

It would be interesting to know what was the kind of literary fare on which the intellect of Canada subsisted in those days. It cannot be supposed that the people spent all their time in business and social pleasure. There must have been readers as well as cariolers and dancers, and the literature of England and France was by no means scanty. Great writers on every subject have flourished since that time, but some of the greatest that ever lived, some of those whose productions are still read with the highest pleasure, were the offspring of the two centuries which preceded the conquest. No one will be surprised to find, then, that in the year 1783 a circulating library at Quebec numbered nearly 2,000 volumes. Nor is the enquirer left in the dark as to its probable contents. In the *Quebec Gazette* of the 4th of December a list of books is given which "remained unsold at Jacques Perrault's, very elegantly bound"—and books were bound substantially as well as elegantly in those days. In this list are found "Johnson's Dictionary," then regarded as one of the wonders of the literary world; "Chesterfield's Letters," long the *vademecum* of every young gentleman beginning life, and which, even in our own days (and perhaps still), were frequently bound along with spelling and reading books; the "Pilgrim's Progress," which it is not necessary to characterize; Young's "Night Thoughts"; the *Spectator* and *Guardian*; Rapin's "English History"; "Cook's Voyages"; Rousseau's "Eloise"; "Telemaque"; "Histoire Chinoise"; "Esprit des Croissades"; "Lettres de Fernand Cortes"; "Histoire Anciennes," par Rolin; "Grammaire Anglaise et Francaise"; "Dictionnaire par l'Academie"; "Dictionnaire de Commerce"; "Dictionary of the Arts and Sciences"; "Smith's Housewife"; "The Devil on Sticks"; "Voltaire's Essay on Universal History"; "Dictionnaire de Cuisines," and several others on various subjects; "Oeuvres de Rabelais"; "American Gazetteer," etc. These, it will be remembered, had remained unsold, but among the sold there must have been copies of the same.

It is, according to our notions of to-day, a meagre collection; but, no doubt, many families possessed good libraries brought with them from

over the sea, and the bookseller may not have kept a large stock at one time. It was the custom for merchants to sell off all their overlying goods before they went or sent to Europe for a reinforcement. Many Canadians have seen, and a few still possess, one of those old libraries, of which the general public occasionally have a glimpse at auction rooms, composed of standard authors, and beautifully and solidly bound, which adorned the studies of the fathers of our country. They contain all that was best in the French and English literature of the last century—history, poetry, divinity, *belles lettres*, science, and art. From these may be best gathered what were the tastes, the culture, and the thought of our people in the last century.

The settlement in Canada of the United Empire Loyalists after the peace of September, 1783, by which the independence of the revolted colonies was recognized, must have had a considerable influence on Canadian society, and more than atoned for sufferings inflicted on the colony during the progress of the war. Repeated efforts had been made by the Americans to engage the affections of the Canadians. Among those whom Congress had appointed commissioners to treat with the Canadian people on this subject was the renowned Dr. Benjamin Franklin, whose visit to this country, however, was not the most successful portion of his career. Although in some instances there was a manifestation of disaffection against the British Government, the great bulk of the population remained unmistakably loyal. In the *Quebec Gazette* of October 23rd, 1783, is found the Act of Parliament passed in favour of the Loyalists, in which the 25th day of March, 1784, is fixed as the limit of the period during which claims for relief or compensation for the loss of property should be received. How many availed themselves of the provisions of this act it is not easy to say, but the whole number of persons dispossessed of their estates and forced to seek another home in consequence of their allegiance is set down at from 25,000 to 40,000. Of these the great majority took up their abode in the Canadas, New Brunswick, and Nova Scotia, while a few went to the West Indies, and others returned to England. The biographies of some of these Loyalist settlers in British North America



would be full of interest and instruction. But records of family movements and vicissitudes are very rarely kept—most rarely in those cases in which adventures are most frequent and the course of events most changeable. I have, however, seen accounts of early settlements in the Eastern Townships, P.Q., and in different portions of Ontario, which were full of the romance of faith, of courage, and of perseverance.

It is worth mentioning here that between the Maritime Provinces and the sister Colonies of the interior there existed in these years a friendly, if not a frequent, social intercourse. In 1765 the people of Halifax raised contributions in money for the relief of those who had suffered by fire in Montreal. After the war of 1812, the Legislature of Nova Scotia also granted \$10,000 to the Canadian sufferers. In its progress to its present prosperous condition, the ancient territory of L'Acadie was subject to the same fluctuations and vicissitudes which distinguished the Province of Quebec. During the latter half of the last century the composition of its population underwent considerable change, by military settlements, by immigration from England after the peace of 1763, by the accession of American Loyalists, and by the return of banished Acadians. It was not till 1784-5 that New Brunswick became a separate Province. And in the same year Cape Breton was made a separate government, but was reunited to Nova Scotia in 1820. St. John, or

Prince Edward Island, had been separated in 1770, and the original constitution of that little Province lasted for more than a century afterwards. Meanwhile, the British Government gave much to the Colonies, and asked nothing in return. The following patriotic communication, addressed to the *Montreal Gazette* in French, gives a fair summary of the state of Canada in the year 1789, and will furnish a concluding illustration of the general situation in this respect:

"All Europe is at war; fire, carnage, and death are there, making ravages which cannot be described; Great Britain, that great and magnanimous nation, has alone been able, up to the present, to arrest with glory the progress of the ambitious nation which desires to swallow up everything; Great Britain, I say, the arm, the strength, and the hope of oppressed nations, receives, without distinction, the unfortunate fugitives who find an asylum only in her heart, which burns with the noblest humanity.

All the Provinces of the Empire have taxed themselves to aid her in sustaining the heavy burden imposed on her by this cruel war; Canada alone has done nothing for that country which has done everything for her; Canada, which, in the shade of the laurels of her generous protectress, enjoys her own laws, her own customs, her own usages, and the most profound and happy peace. Her agriculture prospers, and is not interrupted by bodies of militia which a war would require her to raise; and her commerce is carried on with advantages not enjoyed by the other Provinces of the mother country."

## HISTORICAL SKETCH OF THE WAR OF 1812-14.

BY

MISS AGNES MAULE MACHAR.

A GENERATION had scarcely passed away since the long wasting struggle of the American Revolution. Canada and her neighbour, the young republic, had barely settled down to a peaceful development of the resources of their great continent when a train of complications resulting from the gallant struggle which Great Britain was leading against the usurpations of Napoleon, once more lighted the flames of war on the Canadian frontier. The war of 1812—as it is called—being out of the stream of European history, and dwarfed by the tremendous conflict for the liberties of Europe, has hardly attracted the attention it deserved. Yet, independently of special interest for every Canadian, it is as notable for heroic deeds, brilliant exploits, thrilling adventures, and picturesque situations as many a more celebrated campaign.

The sources of the war of 1812 are naturally traceable to the events of the preceding century. The smouldering sparks of hostility left between Great Britain and her revolted colonies by the War of Independence had not yet been completely extinguished. The mother country had not yet perhaps entirely forgiven her vigorous and independent scion for the rough repudiation of her authority, nor had the latter got over the acrimony of the separation. The Americans had scarcely been able to appreciate the fact that the Government of the day was not England, and that a large portion of the British people had sympathized with them in their struggle for constitutional liberty; and among a numerous class of the population there existed a latent and too easily excited hatred of everything British. In Canada, on the other hand, the settlers being chiefly composed either of old British soldiers, or of United Empire Loyalists who had left their comfortable homesteads in the United States, and come to make new

homes in Canada under the shelter of their dearly loved Union Jack, reflected the British feeling to an intensified degree. An animosity—the more bitter, because the neighbourhood was so close—sprang up between the two countries.

This international asperity was of course much aggravated by the measures to which Great Britain had to resort in her almost single-handed struggle with the disturber of Europe; a struggle in which—while she was fighting the battle of constitutional liberty—she received no sympathy from the young republic that had so recently been contending for its own. The retaliatory “paper blockades” of 1806 and 1807 by which Britain and France respectively placed the whole coast of the other under a “constructive blockade,” bore very hardly on neutrals, especially on America, whose merchant marine had, during Europe's absorption in the great conflict, almost monopolized the carrying trade of the world. As Mr. Green states the case in his “Short History”:—“The orders in council with which Canning had attempted to prevent the transfer of the carrying trade from English to neutral ships, by compelling all vessels on their way to ports under blockade to touch at British harbours, had at once created serious embarrassments with the United States. Not only had the English Government exercised its right of search, but it asserted a right of seizing English seamen found in American vessels, and as there was no means of discriminating between English seamen and American, the sailor of Maine or Massachusetts was often impressed to serve in the British fleet.” The irritation caused in the United States by these unhappy complications was kindled into a flame of excitement through the arbitrary action of a British commander. The “right of search” for contraband goods or deserters, which England claimed,

and the United States denied, was rudely asserted when by command of Vice-Admiral Berkeley, Captain Humphries of the *Leopard* overhauled the frigate *Chesapeake*, and made a demand for the surrender of alleged deserters. The demand being refused was enforced by a broadside, which compelled the *Chesapeake* to strike her colours and surrender the deserters, who were afterwards tried and convicted at Halifax, one of them being executed. This high-handed and unauthorized act was at once officially disavowed by the British Government, before a word of remonstrance from the republic could reach it. The Captain was recalled and the Admiral superseded, while it was officially declared that "the right of search when applied to vessels of war, extended only to requisition, and could not be carried into effect by force."

The United States, however, was less forbearing than was Britain on the occasion of the *Trent* affair, half a century later, and the rising storm was fanned by the inflammatory appeals of demagogues and journalists. Without waiting to hear of the prompt and spontaneous reparation, Jefferson resorted to the celebrated "embargo," excluding British ships from all American ports—declaring that in doing this he wished to avert war, and to introduce into the disputes of nations "another umpire than that of arms." This embargo had certainly a most injurious effect on the trade and commerce of the republic, depreciating property and paralysing industry, especially in New England where a war with England, and French connection, were equally deprecated, and where the feeling thus excited called forth one of the earliest poetic efforts of Lowell, then a boy of thirteen. In the following year, the ineffective and unpopular embargo was exchanged for an act of non-intercourse with France and England alone. Even this the States had no means of enforcing either by land or sea, and it was eventually repealed altogether. But all attempts at a final reconciliation of existing difficulties failed owing to diplomatic complications, although the United States maintained an offer that, if either Power would repeal its edicts, it would suspend commerce with the other. Napoleon, seeing his opportunity to checkmate Britain, accepted the offer. In February, 1811, the United States declared all inter-

course with Great Britain and her dependencies at an end. The immediate result was the reduction of British exports during the year by one-third of the whole amount, and the British artisan population starving for lack of the corn of which the States possessed such abundance, while American planters were half ruined, and all industry crippled, by the refusal to admit British merchandise, or permit the exportation of the cotton which was glutting the home market.

Meantime various isolated occurrences seemed to point to the desire cherished by a certain class of Americans to provoke Britain into the declaration of hostilities which the American nation as a whole was not yet prepared to make. As early as 1808, as we learn from the words of General Brock himself, a convoy of seven merchant boats, quickly passing along the Niagara River, were fired upon from the American Fort Niagara, and actually captured. Fortunately for the maintenance of peace, the Commandant of the British Fort was out of the way; but when a representation of the affair was made at Washington, the complainants were referred for justice to the ordinary course of the law! In May, 1811, the American gun-frigate *President*, in defiance of the fact that the United States was nominally at peace with the whole world, and that, on American principles, vessels of war were not liable to right of search, provoked an encounter with the *Little Belt*—a small sloop of eighteen guns—and shot the latter to pieces. The American captain was tried by court-martial, and acquitted amid national exultation; but Great Britain at once forbearingly accepted the official disavowal of hostile instructions.

Notwithstanding this forbearance, however, President Madison, in November 1811, appealed to the nation for the "sinews of war," securing in response, large votes of money and of men—warlike armaments being prepared during the winter. A large class of the American people, including such leading men as Eustis, Secretary of War, and the Hon. Henry Clay, were full of sanguine hopes of an easy conquest of Canada. It was presumed that political trouble, and transient dissatisfaction caused by grievances connected with the Executive, had so far undermined Canadian loyalty that the colonists would interpose but

a slight resistance, if they did not even welcome the ideal of American connection. It was known that Bonaparte was desirous of wresting from Britain the "New France" of the early French colonists, and even General Brock believed that with a small French force, armed with plenty of muskets, he could easily attain this end, and that in such a contingency the French Canadian population would join the invaders almost to a man. It was at that time fully expected that Napoleon would become sole master of Europe, and that the Americans by joining hands with him—Republicans as they were—would divide with him the empire of the world. As for Britain, then contending almost single-handed against the usurper who was pressing on to Moscow, while Wellington was engaged in the Peninsular struggle, it was believed that she would have neither leisure nor power to defend her distant colony, which would "fall like a ripe pear" into the possession of the American republic. Subsequent events showed how far these calculations were mistaken.

But, as Mr. Green observes, the statesmen of that day were not willing to face the consequence of such ruin of English industry as might follow from the junction of the United States with Napoleon. They were, in fact, preparing to withdraw the Orders in Council, when their plans were arrested by the dissolution of the Perceval Ministry, but in the confusion which followed the murder of Perceval, the opportunity was lost. On the 23rd of June, only twelve days after the Ministry had been formed, the Orders were repealed; but when the news of the repeal reached America, it came six weeks too late. On the 18th of June, an Act of Congress had declared the United States at war with Great Britain.

A close embargo had been previously placed on all American ports with the double purpose of reducing their risks at sea, and of manning more efficiently their own military marine, as well as of intercepting communication with Great Britain. The opportunity was also seized of attacking at an advantage the homeward-bound West India fleet, which was accordingly done by Commodore Rogers, the hero of the *Little Belt* encounter. The frigate *Belvidere*, however, single-handed, defended the merchantmen against a pursuing

squadron of three frigates and two sloops, and brought her charge safely home.

It may be doubted whether even the earlier revocation of the Orders in Council would, at this crisis, have averted hostilities; so strong was the pressure of the party determined on war. The step was not, however, unopposed. Virginia strongly denounced the proposed invasion of a peaceful and unoffending Province, and especially the ideal openly expressed of endeavouring to seduce the Canadians from their loyalty, and, as Randolph expressed it, "converting them into traitors, as a preparation for making them good American citizens." Despite such manly opposition, however, the declaration of war was carried by seventy-nine votes against forty-nine, its supporters being the representatives of Southern and Western States, while its opponents represented the East and North. It should never be forgotten that in New England the opposition to war was intense, and Boston, foremost in the Revolution as a champion of American liberty, displayed her flags half-mast high in token of mourning, while a mass meeting of the inhabitants passed resolutions protesting to the utmost against a war so ruinous, so unnatural, and so threatening from its connection with Imperial France to American liberty and independence.

In Canada, the impending storm had of course long been dreaded; and General Brock, at that time acting not only as Commander but as administrator of the Government in Upper Canada, had not been slow in reading the signs of the times, and in taking, as far as he could, measures for defence. In opening the Session of the Legislature at York, in February 1812, while expressing the hope that "cool reflection and the dictates of justice may yet avert the calamities of war," he urged the importance of early adopting "such measures as will best secure the internal peace of the country, and defeat every hostile aggression." It was, indeed, to this wise, energetic and brave commander—the man of the hour in Canada as truly as was Wellington in Europe—that the colonists looked as their stay and hope at a time when Great Britain, harassed with European complications, had treated the representations of the exposed condition of Canada with a natural but unfortunate lack of efficient response.

General Brock, who, though still comparatively a young man had already distinguished himself, with his brave 19th Regiment in Europe and the West Indies, had been detained in Canada long beyond the time when he had reasonably hoped to return to the European service then so full of fascination for an ardent patriot and enthusiastic soldier. The long delayed fulfillment of this hope had seemed within his reach at last, when, in 1812, Sir George Prevost, the Governor-General, was authorized to permit General Brock's return to England for Continental service, solely in order to promote his wishes and advantage. But Brock, realizing the critical position of affairs in Canada, and acting in accordance with his own sense of duty, no less than the wishes of his colleagues, magnanimously sacrificed his own interest and preferences in order to give his services to Canada in the impending crisis. By this decision, although he met a too early death on a comparatively obscure battle-field, he became a chief instrument in saving Canada to Great Britain and, no less than his like-minded predecessor, General Wolfe, an honoured and unforgotten hero in the estimation of the Canadian people.

The young colony, with its magnificent distances and scattered population, could scarcely have been less prepared for war, or worse equipped for defence. The population of Upper Canada was only about 30,000; that of the whole colony did not exceed 300,000. To defend a frontier of 1,800 miles there were but 4,450 regular troops of all arms, of whom only about 1,500 were in Upper Canada. It is not strange that at first some dismay and despondency should have prevailed among the colonists when they found themselves launched into war with a powerful neighbour, in a quarrel which was none of theirs. But the true British spirit lingered in the hearts of the sturdy Canadian yeomen, many of whom had already sacrificed much to their loyal love for the old flag; and the confidence of the people in their brave General acted as a rallying-point of courage and hope. The militia did not disappoint the expectations Brock had formed of "the sons of a loyal and brave band of veterans," and troops of volunteers poured into all the garrison towns, many, however, being obliged to retire disappointed for lack of arms wherewith to equip them; for the

King's stores of all kinds were lamentably inadequate. The whole of the arms at the disposal of the General were, he tells the Governor, "barely sufficient to arm the militia immediately required to guard the frontier."

The declaration of war reached Canada through a private channel, neither the British Minister at Washington nor the American authorities having taken any efficient means to transmit the information thither. The moment it was made known, however, General Brock's measures were prompt and energetic. He called a meeting of the Legislature, established his headquarters at Fort George, asked for reinforcements from the Lower Province (which could not be granted until the arrival of more troops from Britain), appointed a day of fasting and prayer in recognition of the impending crisis, looked to the frontier forts and outposts, and paid special attention to the securing of the allegiance of the Indians, and the equipping, drilling, and organizing of the militia. Of arms—as has been said—there was a great scarcity, many of the men being wretchedly provided with clothing also, and many being without shoes—articles which could scarcely be provided in the country. As to weapons, some enthusiastic volunteers temporarily supplied the lack from their implements of husbandry.

On the 11th of July, General Hull, with an army of 1,500 men, crossed into Canada from Detroit, issuing from Sandwich a proclamation to inform the Canadians that he did not ask their aid, because he came with a force that must overpower all opposition, and which was only the vanguard of a far greater one. He offered the Canadian people, in exchange for the tyranny under which they were supposed to groan, "the invaluable blessings of civil, political, and religious liberty," ending with the hope that they might be guided to a result the most compatible with their "rights and interests, peace and prosperity." From Fort George, Brock issued a counter proclamation, reminding the people of the prosperity of the colony under British rule, and assuring them that the mother country would defend Canada to the utmost; impressing upon them the sacred duty of keeping their oaths of allegiance to the British Government; exposing the inconsistency of the American professions of love of freedom, with their

alliance with the French tyrant; and pointing out the injustice of the threat to refuse quarter, should Indians be permitted to fight side by side with their British allies in defence of their rights and their lands, against those who had on almost every occasion over-reached and deceived them. On July 27th, he opened the extra session of the Legislature at York recognizing, in his address, the loyal response of the colonists to the call for action and closing his earnest and spirited appeal with the assurance, amply justified by the event, that "by unanimity and despatch in our councils, and by vigour in our operations, we may teach the enemy this lesson, that a country defended by freemen enthusiastically devoted to the cause of their King and constitution, can never be conquered." The action of this Legislature somewhat disappointed his expectations, for such an invasion, in such circumstances, had naturally produced some despondency; the Indians of the west were known to be wavering; a portion of the population about Sandwich, of French and American extraction, and lying exposed to the first onset of the enemy, were disaffected, and some of them even sought American protection. But General Brock's strong and hopeful attitude rallied the waverers, and, inspired by his example and its own brave heart, the country braced itself gallantly to a defence against fearful odds, with a courage which may well excite our admiration and remain a bright example to future generations of Canadians.

Meantime, hostilities had actually commenced, with the first honours for Canada. General Brock had early seen the importance of strengthening the western post of Amherstburg, on the Detroit or St. Clair River, as an indispensable point of defence for the western peninsula. He had also seen the importance of taking possession of the strategic points of Detroit and Michilimackinac, not only in order to secure the active co-operation of the Indians, but also because, without them the whole of western Canada, perhaps even as far as Kingston, would have to be evacuated. Immediately on the landing of General Hull, he had despatched Colonel Procter to Amherstburg, with a reinforcement of the 41st. He had also, in the spring, stationed Captain Roberts with a detachment of troops at St. Joseph,

an outpost at the head of Lake Huron. Immediately on hearing of the declaration of war he sent orders to Captain Roberts to attack Michilimackinac if possible, and in his prompt fulfilment of this order, that gallant officer scored the first success of the campaign. Advancing with some forty-five regular troops, and nearly six hundred Canadians and Indians, he ordered the small garrison there to capitulate at once, and its stores and furs became the prize of the captors. In the Amherstburg district, a little later, came the success of a small British force at Tarontee, in the western marshes, in which two privates of the 41st "kept the bridge" till one was killed and the other disabled—an exploit worthy of the "brave days of old." About the same time, the famous Shawnee Chief, Tecumseh, with his Indians and a few regular soldiers, captured a provision convoy of General Hull's, along with important correspondence, the despondent tone of which gave fresh stimulus to the plans of Brock, while the discouraged American General re-crossed the river to Detroit with his army, on the 7th and 8th of August. A conflict at Maguaga on the following day, between a small detachment of the 41st reinforced by Indians, and a force of 705 American troops, ended adversely to the former. But Brock was at hand.

On the 15th of August, after a toilsome march from Burlington Heights to Long Point, on Lake Erie, and four days and nights of hard rowing in tempestuous weather along a dangerous coast, he arrived at Amherstburg at the head of a small force of regulars and militia—about 700 in all, 400 being militiamen disguised in red coats. To the courage and endurance of his men during this trying journey, Brock bore emphatic testimony. Immediately after his arrival, General Brock met Tecumseh, who had already distinguished himself and who, at once recognizing in Brock a true leader, offered himself and his braves as allies in the attack on Detroit. With quick decision, General Brock resolved on prompt action, and General Hull was startled, first by a summons for the immediate surrender of Fort Detroit, and next by the crossing of the British force—General Brock, to quote the graphic words of Tecumseh, "erect in his canoe, leading the way to battle." Before the well-concerted plan of assault could be

fully carried out, the garrison, startled by the effects of the first fire from the batteries, surrendered to the British arms. This surrender gave to the British, not only Fort Detroit, with Hull's force of 2,500 men, thirty-three pieces of cannon, and large quantities of much-needed military stores and arms, but also the Michigan territory—a tract of country almost as large as what was then known as Upper Canada. This swift and almost bloodless success was, of course, of the utmost importance in inspiring the inexperienced militia with hope and confidence, securing the hearty support of the wavering Indians, and interposing a formidable check to the enemy's advance, while the effect in the United States, in crushing the extravagant expectations of an easy conquest of Canada, was proportionately strong. It is, indeed, difficult to understand General Hull's hasty capitulation, except on the supposition that he had either greatly exaggerated the attacking body, or that he supposed that reinforcements were immediately expected. It was not the last occasion during the war in which British pluck in advancing boldly on a greatly superior force signally overreached the enemy.

After issuing a proclamation to the scattered inhabitants of the Michigan territory, securing them in their private property and the free exercise of their civil and religious rights, General Brock left Procter to hold Detroit with as large a force as he could spare, and hastened back to York on the schooner *Chippewa*, hoping now to be able to sweep the Niagara frontier clear of every verge of invasion; and, by securing the American port, Sackett's Harbour, on Lake Ontario, to remove all danger of attack from the lake. But, on Lake Erie, he was met by the armed schooner, *Lady Prevost*, bearing the first intelligence of the most untimely armistice which Sir George Prevost had unfortunately concluded with General Dearborn. The temporizing nature of the Governor-General, backed by pacific instructions from home, was influenced by the hope that the news of the revocation of the "Orders in Council" just received would call forth a more pacific spirit in the American people. In vain Brock wrote urgently from Kingston: "Attack Sackett's Harbour from hence. With our present naval superiority it must fall. The troops at Niagara will be

recalled for its protection. While they march, we sail, and before they can return, the whole Niagara frontier will be ours." But eager as he was to follow up the brilliant success he had achieved and to put an end to the invasion, his hands were tied by orders to do nothing—the effect of the armistice being simply to give the Americans time to recover from their reverses—to concentrate the naval force at Sackett's Harbour, and to build vessels on Lake Erie, while Brock, with hands tied, but open eyes, had to remain passive, playing into the hands of the invaders by a forced inaction.

It soon became known that the American President disapproved of the armistice, and its first fruits was the capture, at Black Rock, by an armed American schooner of the brig of war *Detroit* and a private brig, *Caledonia*, laden with arms and provisions from Detroit, as well as a valuable load of furs. Meantime, the American General, Van Rensselaer, burning to retrieve the humiliating surrender of Detroit, had concentrated a force of more than 8,000 strong on the Niagara frontier, thirty-six miles in length. General Brock, distressed by the loss of the brigs with their cargoes, but still restrained from taking action, was convinced early in October, that an attack from the enemy was impending, and had accordingly issued particular directions to all the outposts where a landing might be effected. A large force assembled at Lewiston, about seven miles below the Falls, where the river is very narrow, and opposite the beautiful wooded plateau of Queenston Heights. Early on the morning of October 11th, a crossing was attempted, but failed, owing to unfavourable weather and lack of boats. But on the 13th, before daybreak, the crossing was effected by an advance guard of the American army, protected by a battery at every point at which they could be opposed by musketry. The landing was gallantly resisted by a small outpost force of regulars and militia, backed by an eighteen pounder on the Heights, and by another gun about a mile below. Both assault and resistance were resolute and brave, but fresh detachments of troops followed, till about 1,000 men were in line, fronting the British outposts. Both captains of the two companies of the 49th had fallen wounded, and the fire of the eighteen



pounder was of no avail over a large part of the field. The engagement was growing hot, with serious loss of life on both sides, Colonel Van Rensselaer himself being dangerously wounded.

Meantime, Sir Isaac Brock, as he should now be called, though he died unwitting of the honour just conferred upon him, was at Fort George, and on first hearing of the cannonade, galloped up to the scene of action, and threw himself into the engagement. Before he had even time to reconnoitre the field, a fire was opened in rear, from a height above the path which, having been reported inaccessible, had been left unguarded but had been gallantly scaled by a detachment of American troops, led by Captain Wood. In the rush that followed, Brock and his *aides* were swept back with the twelve men who manned the battery. A charge by Williams of the 49th was met by a counter charge, and, in the struggle which ensued, the whole were driven to the edge of the bank. Brock, conspicuous by his height, his dress, and his enthusiastic bearing, had just shouted, "Push on the York Volunteers," when he received a ball into the right breast, and fell, living only long enough to ask that his death might not be noticed, or prevent the advance of the troops, and that a message should be sent to his sister. His brave *aide-de-camp*, McDonell, was also struck down and fatally wounded, while leading on the brave York Volunteers in a charge which compelled the enemy to spike the eighteen-pounder and retire from the battery.

The great loss sustained on both sides, now caused a lull in the fighting, the American force retaining the perilous foothold it had gained at such a cost, while the British force retired under cover of the village, awaiting reinforcements. These were already on their way hastened by the tidings of the calamity which had befallen the country in the death of Brock. General Sheaffe, who had followed Brock's directions to collect all available troops on the first alarm, speedily came up with about 380 regulars, two companies of militia and a few Indians, reinforced at Queens-ton by more militia and Indians, making up his command to about 800 men. With this force he outflanked the enemy, and surrounded them in their dangerous position between the Heights and the river, from which a determined and successful

onset forced them to a headlong and fearful retreat, many being dashed to pieces in descending the precipitous rocks, or drowned in attempting to cross the tumultuous river. The surviving remnant of the invaders, who had numbered about 1,100, mustered on the brink of the river, and surrendered unconditionally, with their General, Wadsworth, as prisoners of war. The loss on the American side had been about 400 killed and wounded—besides 960 prisoners. That on the British side was about 80 killed and wounded.

Sheaffe, having thus bravely won the day, was unfortunately led to throw away most of the advantage of the victory by signing another armistice, this time disapproved by even Sir George Prevost. Had Brock survived, there can be little doubt that he would at once have crossed the river, and carried Fort Niagara, at that particular moment abandoned by its garrison. Sheaffe seems, however, to have shrunk from opposing his small force of less than a thousand to the American army of 8,000. Certainly a defeat would in the circumstances, have been disastrous. But the unhappy interruption of an armistice, liable to be broken off at thirty hours' notice, gave no real repose to the country and the harassed and suffering militia, while it gave the enemy time to recruit and reorganize, and to collect a large flotilla at the lower end of Lake Erie. So far from becoming more pacific in their spirit, the Americans, through some recent naval successes over Britain, had become still more eager for conquest and more sanguine of success.

As autumn passed into winter, some ineffectual skirmishes occurred along the St. Lawrence and the eastern frontier, the militia of the Montreal district meeting Dearborn's demonstrations from Champlain with such effect as to induce him, for the present, to retire to winter-quarters with his sickly and enfeebled troops. The inland American marine, less successful than the Atlantic one, made ineffectual attempts to capture two British schooners, the *Royal George* and the *Simcoe*, both of which escaped into Kingston harbour; though a smaller bark, the *Elizabeth*, was captured by Commodore Chauncey, with some of General Brock's effects and correspondence on board, under the charge of a relative, who was, however, paroled, and had the effects returned to him. On

November 20th, at the conclusion of the armistice, Kingston was cannonaded, sustaining little damage, and returning the attention with interest. At the same time, General Smyth, the successor of Van Rensselaer, made an effectual demonstration against Fort Erie, after which he went into winter-quarters, and thus closed the campaign of 1812.

The Legislatures of Upper and Lower Canada meeting at the close of the old, and beginning of the new year, passed large votes for the equipment of a strong force of militia, and recruiting went on with such success that the defensive force, including regulars, militia and Indians soon amounted to about 8,000 men, opposed, however, by an American army of about 27,000 regulars and militia. About the same time was formed a "Loyal and Patriotic Society," to provide succour and compensation for the brave men and helpless families on whom had fallen the chief brunt of the invasion, the losses from fields left untilled or laid waste, and property plundered or destroyed. Besides a generous support in Canada, liberal contributions were received from Nova Scotia, from the West Indies, and from Great Britain under the patronage of the Duke of Kent.

The campaign of 1813 opened at a very early date, while the frozen rivers afforded easy passage for troops on their icy surface. Skirmishes took place during January, February, and March, along the frontier at Amherstburg; at Gananoque and Brockville, (recently named after the lamented General) both of these latter being unimportant raids from the American side; and at Ogdensburg, against Fort Presentation. The latter was a brilliant exploit under the leadership of Colonel McDonell, at the head of the gallant Canadian "Glengarrys," with other regulars and militia, to the number of about 400. They took the enemy by surprise, drove them from each successive position, stormed and carried the battery, burned the barracks and four armed vessels frozen into the harbour, and captured eleven pieces of cannon and a large amount of military stores, besides a number of prisoners of war. The achievement was a brilliant and important one, putting a stop to border forays of Americans on that frontier during the winter, and, in all probability, saving Kingston from an intended advance of troops

which were to have been concentrated at Ogdensburg with the view of advancing westward.

The reverses encountered by the British arms in Canada during the early months of the campaign of 1813 were the natural result of the timorous and short-sighted policy pursued by Sir George Prevost, probably based on the general tenor of his instructions from home, the determination of the Americans to achieve the conquest of Canada being little realized by the British Government. Had General Brock's statesman-like and chivalrous policy prevailed, and had he been allowed by the bold dash he contemplated in the previous year, to take possession of the important naval station of Sackett's Harbour, the enemy never would have been in a position to send a fleet to carry the land force, and support it in taking York, without which the subsequent capture of Fort George and the successful occupation of Canadian territory would hardly have been possible—at least had Brock lived to carry out his own vigorous designs. To his untimely death, and to the way in which his generalship was hampered during his life by a superior who was only too ready to take the credit of achievements in which he had no share, were due the wasting and harassing attacks which Canada had to suffer during the summer of that unhappy year from an ever increasing swarm of invading forces. No reinforcements had as yet arrived from Britain, and, in contrast with the absence of any effort on the part of the Home Government to strengthen the British position on the lakes, Commodore Chauncey had been most active in adding to his little fleet, and manning and training their crews. Between the apathy of a harassed Home Government, and the feeble policy of Sir George Prevost, the outlook for Canada was gloomy indeed.

The gravity of the situation was soon felt in the too successful attack on the little town of York, then having a population considerably under 1,000, and destitute of any adequate military defence. The old French fort had become simply a land-mark, and a rude block-house and fort at the entrance of the harbour with some intrenchments and batteries, poorly armed, were the sole attempts at fortification—a state of things for which Sheaffe, as administrator and commanding officer, must be held responsible. On the evening

of the 26th of April, the ominous sound of the alarm gun startled the inhabitants as the signal of the enemy's approach. Morning showed Chauncey's fleet of sixteen vessels lying in the near vicinity of the town. The landing was effected at Humber Bay, and was opposed only by a band of forty Indians, a Glengarry Company ordered out for their support, having, through some mistake, arrived too late. By the brave resistance of a small force of little more than three hundred regulars and militia, the invaders were, for a time, held in check, but being reinforced by overwhelming numbers, the British line was out-flanked, and compelled to retire, with a loss of nearly 200 in killed, wounded, and prisoners. An accidental explosion at one of the batteries silenced the fort guns, and as there was then no hope left of successful resistance, Sheaffe, taking all the stores he could carry, ordered a retreat, and marched away in the direction of Kingston. Meantime, the enemy's advance-column, having taken possession of the fort was nearly destroyed by the explosion of the powder-magazine, which was probably accidental, the American commander, General Pike, losing his life in the catastrophe. A ship then being built in the dock-yard and a quantity of marine stores had been destroyed or removed by the retreating British force, and although Sheaffe left one of his officers to arrange a capitulation, which was not ratified till next day, the public buildings were burned and the church and library pillaged, while all the money in the Provincial treasury, about £200, fell into the hands of the enemy.

General Dearborn did not attempt to pursue the retreating forces under Sheaffe, who was soon after superseded in Upper Canada by General de Rottenburg. Newark, now Niagara, defended by General Vincent, with barely a thousand troops stationed at Fort George, was the next point of attack, and upon it advanced the American force of about 7,000 men, not counting the marines and crews of the transports and vessels of war. On the 27th of May, after having received strong reinforcements sent on without obstruction from Sackett's Harbour, a landing was effected, which was sharply contested by about 200 men of the Glengarry and Newfoundland corps, but the guns of the shipping overpowered them and forced

them to fall back upon the main body. Vincent and his men did all that brave soldiers could do to oppose the advance; but, after a desperate struggle of three hours against heavy odds, in which both officers and men suffered severely, he determined by an orderly retreat to save the remainder of his men, about 350 of the regular troops, and 85 of the militia having been left killed or wounded on the ground. Fort George, with spiked guns, of course fell into the enemy's hands, while Vincent, retreated upon the strong position of the "Beaver Dam," leaving behind him more than 400 of his best and bravest men. At Beaver Dam, some twenty miles to westward, he had ordered Colonel Bisshopp from Fort Erie, and Major Ormsby from Chippewa to join him. Reinforced by these detachments and supported by a small force of the Royal Navy, under Captain Barclay, he reached Burlington Heights in safety, and established himself in a strong position on what is now the site of part of the city of Hamilton, to await orders from Quebec.

Meantime, a demonstration had been made from Kingston, which, if the feebleness and indecision of the Executive had allowed it to become anything more than a demonstration, might have somewhat retrieved the fortunes of war in the harassed colony. At the opening of navigation, Sir James Yeo, with a party of naval officers and seamen under his command, had arrived at Quebec, and, proceeding to Kingston, had at once begun the work of equipping vessels for service on Lake Ontario. So energetically did he push on this much-needed work, that, on the same day when York was taken by the Americans, a little fleet of half a dozen large and a few smaller vessels left Kingston harbour bearing an expedition of about 751 troops, under the command of Prevost and Yeo. Sackett's Harbour was reached at noon, but though there was no sign of any resistance to the landing of the troops, and though the men had already been placed in the boats, the intended landing was relinquished without any apparent reason and the ships left to hang ineffectively about till the morning of the 28th, of course giving time for the small garrison on shore to summon the militia, and make better arrangements for defence. Notwithstanding this, however, the landing was gallantly effected, the Ameri-

can regular troops were routed and driven into their stockaded barracks and fort, which were attacked with so much prospect of success that the naval barracks and storehouses were fired, and, in twenty minutes more, even the Americans believed that this important depot would have fallen into British hands. At this critical moment, Prevost—the evil genius of the campaign—ordered a retreat, under the impression that a movement in the woods might cut off the troops from their posts. Despite the gallant remonstrance of the brave Colonel Drummond of the 10th (afterwards killed at Fort Erie), Prevost obstinately carried out this unfortunate tactical blunder, thus throwing away the fruits of a hard won success which might have been the means of saving the British arms from the defeats afterwards sustained at Amherstburg and on Lake Erie. Even the wounded—three of them being officers—were deserted, although the embarkation took place with perfect deliberation and order, and it is a just Nemesis on the inefficient leader who inflicted on his men, and even on his Indian allies, so bitter a mortification, that the result was a shock to his reputation from which it never recovered.

Though Dearborn had not showed any particular energy in following up his successes at York and Niagara, he could not but feel the importance of dislodging Vincent from his position on Burlington Heights, and, on the 5th of June, the latter was apprised of the advance of a large American force of some 3,500 men, under Brigadiers Chandler and Winter. Colonel Harvey, who had just made his way through the wilderness from New Brunswick, to take the post of deputy-adjutant-general, offered to lead a night attack against the approaching force—in pursuance of his policy of "bold offensive operations"—so as to throw the enemy on the defensive. A surprise at Stoney Creek was successfully carried out; the unprepared American troops were surrounded and routed; and after a sharp conflict of only an hour and a half, the small British force retired at day-break, in good order; having routed the enemy and captured about a hundred prisoners, including the two Generals, Chandler and Winter, and several guns; while the enemy, thoroughly demoralized, after destroying all their baggage and ammunition, made a precipitate retreat to the spot

now known as Grimsby. This successful attack on a force numbering five times its assailants, rallied the discouraged defenders of Canada, and, for the time, turned the fortunes of war, saving Kingston and the Niagara district. The American troops, now thrown back on the edge of the frontier at Fort George, determined to surprise the British depot at Beaver Dam, with the small detachments of troops posted in the vicinity. This attempt was happily frustrated by the gallant exploit of a brave woman—Laura Secord—the wife of a militia officer crippled in the battle of Queenston Heights, who, hearing at Queenston of the intended attack, undertook a perilous expedition of some twenty miles through the woods, in order to warn Fitzgibbon, the officer in command. This timely warning enabled the scattered little companies to concentrate their forces, and prepare for the arrival of the enemy, so that Fitzgibbon with some three-score regulars and about 250 Indians was able, not only to repulse the attack, but also to capture the whole attacking force of 542 men, two field-pieces, two ammunition wagons, and the colours of the 14th United States regiment. This brilliant exploit was speedily followed up, early in July, by dashing sallies on Fort Schlosser and Black Rock. In the latter, under Colonel Bisshopp, the British troops burned the Block-house barracks, naval arsenal, and a fine schooner, carrying off all the moveable stores, but carefully respecting all private property. The death of the gallant leader, Colonel Bisshopp, during the attack was a calamity regretted scarcely less than had been that of General Brock himself.

We have now to turn back from these encouraging successes on the Niagara frontier, to the conduct of the campaign in the western peninsula—closing a painful record of ill-judged attempts and partially relieved defeat with the catastrophe following the evacuation of Detroit. This event was due to three combined causes: the failure of the British Government to meet the crisis with sufficient reinforcements, either naval or military; the indecision and inefficiency of Procter; and the utter incapability of the Governor-General to rise to the emergency in which he was called to act. Very early in the year, General Procter had made two ineffective attempts on Fort Wayne and Fort Meigs, followed by a successful

assault upon Frenchtown, where he surprised Winchester's camp, took the General and his son prisoners, and drove the American force, with heavy loss, back upon Fort Meigs. For this success, Procter was made a Brigadier-General; but unhappily the temporary *prestige* it gave him was wholly unsustained by his subsequent conduct of the campaign. Harrison was stimulated by his defeat to strengthen his position at Fort Meigs, from whence with the expected American command of Lake Erie, he could advance to attack Fort Malden and Detroit. In order to anticipate him, Procter, in April, advanced upon his position; but though he gained some success in action through the gallant conduct of his men and the faithful support of Tecumseh and his Indians, he was finally obliged to give up the attempt to drive the enemy from their entrenchment, and to retire from Amherstburg before the middle of May. A second expedition against Fort Meigs, and one against Sandusky in July, were equally fruitless, and only dispirited the troops, besides wasting strength, which, had it been directed towards Presqu'île, where the American naval force was organizing for attack, might have averted the coming British defeat on Lake Erie.

Sir James Yeo, in command of the navy, had been doing his best under the disadvantage of utterly inadequate means at his disposal and the failure of adequate reinforcements, to maintain that command of the lakes which was so essential to the defence of Canada. Captain Barclay had been placed in charge of the little flotilla on Lake Erie, consisting of one vessel—the *Queen Charlotte*—of 280 tons and 16 guns, and four others of much smaller calibre, while Barclay had done his utmost, by fitting out the *Detroit*, a much larger vessel, to enable his little squadron successfully to hold its ground against Commodore Perry—much better supplied with ships, men, and provisions. Procter and Barclay were both almost destitute of food supply, and an engagement was forced upon them by a necessity which should have been foreseen and guarded against—there being, in Barclay's own words, "not a day's flour in the store, and the squadron being on half allowance for many things." On the 10th of September, a desperate naval engagement took place, lasting for about five hours, in which

the mixed crews of the British flotilla, of which only a small proportion were real seamen, fought, as true Britons will fight, until overpowered by superior numbers and superior metal. At first, with a favourable wind, the *Detroit* disabled the *St. Lawrence*, Perry's flag ship, and forced her to strike her flag, but a change of wind gave the enemy a decided advantage, added to their superior weight, and Barclay was at length forced to surrender—only, however, after every vessel had become unmanagable, every officer killed or wounded, the fleet wiped out, and one-third of the crews put *hors-de-combat*. On the British side, there were, out of a total of 384, 133 killed and wounded, while on the American side, out of a total of 650, only 123 were killed or disabled. Barclay himself, when some months later, maimed and broken down, he appeared before the Admiralty, presented a spectacle which moved stern warriors to tears, and drew forth a just tribute to his patriotism and courage.

This defeat was a fatal one for General Procter. It destroyed his last hope, and ruin or retreat seemed to be his only alternative. He was now without supplies, without even necessary clothing for his men, among whom disease had made serious ravages, and deprived of the artillery and ammunition of which Amherstburg had been stripped in order to equip the fleet, while it lay exposed not only to an attack from land, but also to that of gunboats from the river. Calling a council of war, he pointed out the impossibility of maintaining their present position, and the necessity of destroying the forts of Detroit and Amherstburg, and retiring on the central position of Burlington Heights. The heroic Tecumseh—grieved and indignant—remonstrated against the abandonment of his people to the mercy of the United States, a step strongly opposed by all the Indians present, who, however, finally accepted the decision to retreat, and adhered to the calling fortunes of their British allies with noble and unwavering constancy. The retreat began on the 27th of September; and it would seem from the carelessness and lack of precaution with which it was conducted, that Procter did not expect to be followed up by Harrison; though it had been arranged that a stand was to be made at Moraviantown, wrongly supposed to be about

half way to their destination. The bridges were left standing, the men were badly and irregularly fed, orders were absent or conflicting, and the troops, dispirited by the utter lack of plan or energy at headquarters, were in no condition to resist a superior force. Harrison's unencumbered troops marched in pursuit much more swiftly than it was possible for the retreating body to do, hampered as it was with baggage-wagons and gun carriages, and especially by the commander's anxiety for the safety of his wife and personal baggage, unfortunately accompanying the expedition.

The pursuing force came up with the British one, two miles from Moraviantown, a village of Christian Indians, on a situation which a leader like Harvey could have fortified and made capable of holding out for some time. The point where the halt was made had the river Thames on its flank, and a cedar swamp on its right; but the open woods, in which the men were formed, was the worst place possible for resisting a charge of mounted riflemen of whom Harrison had some fifteen hundred—his force being about 3,500 in all, while the total British force numbered about 400, with 890 Indians under Tecumseh. They had only one six-pounder with them, and Procter seems to have had about 300 men at Moraviantown, where he remained—not being himself even present at the action. Although the British force had plenty of axes, no attempt was made even to construct an *abattis*. Tecumseh had begged Procter to "have a big heart." It was certainly what he most lacked. Defeat was inevitable for the little band of foot-sore and weary men, dejected, hopeless, exhausted by lack of food and the fatigue of a depressing retreat, weakened by exposure and fever, insufficiently clothed, and demoralized by the lack of discipline and decision which characterized Procter's command. The charge of American infantry and mounted riflemen soon dispersed the small band of regulars, and though Tecumseh and his men thus left unsupported, fought on gallantly in the swamp, they were eventually forced to give way, with the loss of their noble chieftain, who fell during the engagement, as faithful and courageous an ally as ever fought under the Union Jack. Some fifty men managed to escape through the woods, but many were taken prisoners and marched to Ohio, where,

instead of being honourably treated as prisoners of war, they were eventually consigned to a Kentucky penitentiary. Procter, with his remnant of 250 men, managed to effect his retreat on Burlington Heights. But his military career was closed forever, dishonoured irretrievably by the catastrophe which constituted the saddest reverse of the war; giving to the Americans the command of a large extent of frontier and greatly increasing their hopes of eventual success while, at the same time, it awoke in the hearts of Canadians a spirit of more intense and dogged resolution to defend their country to the last.

On the appearance of the defeated remnant at Burlington Heights, Vincent, who had established his headquarters within seven miles of Fort George, where Prevost had made one of his feeble and ineffectual demonstrations, withdrew to Burlington Heights and resolved to make a stand for the defence of the western frontier, in the expectation of Harrison's advance. Unexpectedly, however, the American General was recalled to Detroit, just when his advance would have been most disastrous to the small British force, the tactics of the enemy being directed mainly to the control of the lake and the River St. Lawrence, in order to intercept the convoys of *batteaux* bringing the Irish mess-pork and "hard-tack" from Portsmouth, England. To force the various garrisons to surrender for lack of food seemed to be the policy of the enemy, and the St. Lawrence and the western frontier became the chief scene of conflict. Meanwhile, on the wide Atlantic, British and American men-of-war had been engaged in a sharp contest, of alternate success and defeat on either side. Chauncey and Yeo had been fighting a naval duel on Lake Ontario with some British success arising from the adroit tactics of the latter; and Chauncey had made a second descent upon defenceless York, demolishing barracks and boats, throwing open the gaol, and ill-treating and plundering the inhabitants. Amid the land-locked, mountain-girdled bays of the beautiful lake Champlain, several naval encounters took place, an American expedition unsuccessfully attempting to surprise the British port of Isle-aux-Noix, while on the other hand, destructive reprisals were made by the British on



Plattsburg, Burlington, Scranton, and Champlain. During the summer, the British force was increased by the arrival of two regiments at Halifax which were immediately sent to the front.

In September a body of some 8,000 American troops was collected at Sackett's Harbour, having in view the descent of the St. Lawrence and the conquest of Montreal, and were landed in four brigades, under Generals Boyd, Covington, Swarbiot, and Brown, with a reserve under Macomb. Wilkinson, following the example of Hull and Harrison, issued a proclamation offering protection to all who would remain quietly at home should victory incline to the American standard. The embarkation took place on October 17th, and was immediately known at Kingston, whence eight gunboats, with three field-pieces, and a military force of 900 strong followed the flotilla. On arriving near Prescott the American force landed—continuing their march along the shore, while the boats cruised close to the American shore. The British troops under Colonel Morrison, with Harvey as Adjutant-General, landed at Point Iroquois, numbering, with reinforcements received at Prescott, about 800 men. On the 11th of November they came up with Boyd's division of 2,500 men and six field-pieces, at a point half way between Morrisburg and Aultsville, called Chrysler's Farm, where Morrison, considering the ground advantageous, offered battle to the enemy. Wilkinson seems to have supposed that Boyd's division alone would be sufficient to meet the British force, but after a sharp engagement of little more than two hours the American brigade gave way and retreated, with a loss of 339 men—the British losing 181 out of their 800. About 100 prisoners were taken, but there was no attempt at pursuit, the British force being worn out with fatigue, and having neither cavalry nor reserve.

As Morrison, however, continued his advance with his remaining 600, Wilkinson seems to have believed the British force much stronger than it actually was, and determined to relinquish the proposed attack on Montreal, removing his troops to a safe distance from the St. Lawrence, and entrenching them at French Mills, not far from the village of Malone, where they remained until February, when boats, block-houses, and barracks

were burned and the place abandoned, a division of the troops going back to Sackett's Harbour while Wilkinson led the remainder to Plattsburg and Burlington.

Meantime Hampton, in command on Lake Champlain, had entered Canada at Odelltown on the 22nd September, with more than 5,000 men. Finding that his advance was opposed by the outposts under De Salaberry he retraced his steps, and made a fresh advance by the roads leading northerly to the Chateauguay. DeSalaberry, with a small force of 300 Canadian Fencibles and Voltigeurs, advanced to oppose him at Chateauguay, two leagues above the Forks, where he fortified his position with a block-house and an *abattis*. Here he was unexpectedly reinforced by the gallant McDonnell of Ogdensburg fame, who had been sent by Prevost from Kingston, and had made one of the most rapid marches on record in Canada. On the 28th of October two columns of the enemy, seven thousand strong, advanced from opposite points with the intention of surrounding and crushing the small force of DeSalaberry, not being aware that he had been joined by McDonnell. While one column under Purdy engaged and dispersed a few Beauharnois militia, the other, under Baird, attacked the first line of Voltigeurs, which was driven back upon the second line, with the notable exception of De Salaberry himself and a small drummer boy, compelled by the gallant leader to remain, sounding the unheeded advance. McDonnell, however, was ready for the advancing enemy, and by an adroit disposition of the buglers in the woods, sounding the advance at great distances apart, he induced the foe to believe that a numerous force was advancing upon him from different directions, while the yells of the Indians added to the imposing effect. The American column broke and fled, and when the other column under Purdy attempted to cross the ford in the rear he was met with a heavy fire in front and flank, and being similarly led to believe he was opposed by overpowering numbers, retreated in his turn, leaving the field and the honours of the day to the gallant little force who, with some three or four exceptions, were entirely composed of French Canadian troops. This brilliant exploit—a sort of Thermopylæ in its way—along with the victory at Chrysler's Farm



a few days later, completely frustrated the projected attack on Montreal by the combined forces of Hampton and Wilkinson, and terminated the invasion of Lower Canada.

Harrison's troops had been meanwhile pillaging and harassing the settlers in the neighborhood of Fort George, and, when he, with a part of his corps, left Niagara for Sackett's Harbour, McClure, his successor in command, continued to carry out his barbarous policy of driving the peaceful inhabitants from their houses. Colonel Murray, a gallant leader, advanced to check his operations with 378 men of the 100th regiment and a few volunteers and Indians. McClure retreated to his outposts and was followed by Murray to the immediate vicinity of Fort George; where, no doubt, intimidated by the reverses in Lower Canada, he determined to retire to the American side of the river, first, however, burning the picturesque and inoffensive village of Niagara on a December evening, giving the unfortunate inhabitants only an hour's notice to remove such effects as they could carry away; and thus leaving some 400 women and children, whose protectors were either absent or taken prisoners, exposed to the inclemency of the wintry weather, to lament over the smouldering ruins of their property and their homes. Murray at once proceeded against Fort George, which was abandoned without almost any attempt at defence, McClure leaving behind in his panic a number of heavy guns, magazines of shot and ammunition, and camp equipage for 4,500 men; the fortifications also having been greatly strengthened. Furthermore, with the approval of Sir Gordon Drummond, now Lieut.-Governor of Upper Canada, and a man of experience and decision, Murray planned and successfully carried out a dashing night attack on Fort Niagara to which McClure had retired. The expedition landed at four on a December morning three miles above the fort, surprised it by a bayonet attack, and with the loss of only six killed and five wounded, took a fort defended by seventeen guns, captured some 318 prisoners, 3,000 stand of arms, and large commissariat stores, besides releasing eight of the inhabitants of Niagara, kidnapped for no crime but that of loyalty to their country. Drummond, in conjunction with General Riall, with the Royal Scots and 41st regiments, pushed

on to occupy various points on the frontier, took Black Rock after a sharp contest, and pursued the retreating American militia to Buffalo, which was also taken, and, with the village of Black Rock, met the same fate to which McClure, without provocation, had consigned Newark. Three vessels of Perry's squadron, laid up near Buffalo, shared in the general destruction, and after inflicting this stern retribution for the ashes of Niagara, the British force retired, leaving the American frontier, from Ontario to Erie, one desolate scene of ruin. Thus the campaign of 1813 closed, with the preponderance of success strongly on the side of the British and Canadian forces. The invaders, despite the reverses sustained by Barclay and Procter, had not yet secured a position on Canadian soil, with the one exception of Amherstburg in the far west, for the loss of which more than an equivalent had been gained in the possession of Fort Niagara. On the other hand, the Americans, in their paralysed commerce, and their heavy burden of taxation, felt the war they had forced on Canada press severely on themselves, a pressure by which the peace party in the United States found their most powerful argument in awakening a spirit of conciliation.

The Legislatures of Upper and Lower Canada, meeting early in 1814, again voted provision for the defence of the country, that of Lower Canada also voting an address to the Prince-Regent setting forth the inadequate equipment of that province in particular to meet the exigencies of the war. Sir Gordon Drummond, in Upper Canada, took the first steps towards the rebuilding of the public offices and Parliamentary buildings which had been destroyed at York. The campaign of 1814 was opened by Wilkinson's advance from Plattsburg, on the Champlain frontier, with a force of 4,000 men. General Macomb, with his brigade, took possession of the village of Phillipsburg, a mile within Canadian territory, but soon rejoined the rest of the division which advanced against Lacolle's Mill. This was a small stone building on the Lacolle River, having only a common shingle roof, defended simply by extemporized wooden windows loopholed for musketry, and garrisoned by about 180 men, the whole

available British force on that frontier being about 1000 regular troops, with some 439 militia. The surrender of this primitive fortress was regarded as so certain that a detachment was sent to the rear to cut off the escape of its defenders. Meantime, soon after the cannonade from three guns, within 250 yards of the Mill had begun, two companies of reinforcements arrived from Isle-aux-Noix, in response to Major Handcock's request for aid.

An attempt was made to charge the guns in front, but the heavy fire from the surrounding infantry in the woods, forced the troops to retire to a small house beyond the little river, which had been hurriedly converted into a "block-house," by a breast-work of logs. A second brave charge forced the artillerymen, for the time, from their posts, but the odds were too great for this kind of warfare, and during the remainder of the attack, Handcock prudently confined himself to the defence of the fort from within, somewhat assisted in this by the firing from a sloop and two or three gunboats, which had come as near to the Mill as the ice would allow. For four hours this unequal combat continued, but, though the Mill was several times struck by the guns, and the ammunition was scarce, there was no sign of surrender. About dusk, the American force, exhausted by cold and fatigue, and apparently under the impression that without heavier guns than could be brought on, the post was impregnable, retired, ingloriously defeated, leaving to the brave little garrison the honour of one of the truest exploits of the war. Having a strong force assembled immediately after, at Isle-aux-Noix and St. John, Prevost might have proceeded to destroy two vessels in course of preparation at Vergennes, but with characteristic hesitation, he took no action till the vessels had been launched when Captain Pring made a slight demonstration with his small flotilla, which, unsupported by any land force, turned out a failure. Could Prevost have acted even then with energy and foresight, the disaster at Plattsburg which afterwards finally wrecked his own reputation, might have been averted.

It was in line with the same lack of vigour and decision that he also refused to adopt the project of Sir Gordon Drummond to make a vigorous attack on Sackett's Harbour, so necessary in

order to break the power of the American vessels on the lakes. But Prevost was so prepossessed with the idea of protecting Montreal, that he refused to risk withdrawing even 100 men from Lower Canada. He was, however, induced by Drummond's earnest representations to agree to an attack on the post of Oswego, then a small village, with a well defended fort. The British fleet, consisting of two frigates, six other vessels and eleven gun-boats, and carrying 1,080 troops, sailed from Kingston on the 4th of May, and on the morning of the 6th, the troops were successfully landed under a hot fire from the batteries and the discharge of 500 muskets. Advancing steadily up the hill under this destructive fire, the British force gained the summit, to find the defence abandoned and the defenders put to flight, the Union Jack floating from the flag-staff within ten minutes of their entry. The loss of the British was heavy, numbering 81 killed or wounded. Of the American garrison, 59 were killed or wounded and 50 taken prisoners, the rest making their escape. Nine guns, and some schooners and other craft, with large quantities of provisions, were captured, ammunition was destroyed, and the barracks and ramparts of the fort burned. Chauncey was next blockaded in Sackett's Harbour, and part of his expected supplies intercepted by the gun-boats, though an attempt to pursue a convoy retreating into a creek in that neighbourhood ended in defeat with heavy loss to the British detachment, and the unavoidable surrender of 120 men.

The chief interest of the campaign now, however, again shifts to the West. Skirmishes, more or less important, had been occurring from time to time along the Niagara frontier where the American foraging parties, encouraged by settlers from the United States who sympathized with the invasion, had been most harassing and destructive in their raids on the unfortunate colonists. A militia lieutenant named Medcalf, had, in December, on his own responsibility and with a party of only thirty men, attacked one of these plundering parties and taken forty prisoners, for which gallant action he received praise and promotion from Drummond, who in March, sent a detachment of 195 to attack a United States foraging-post at Longwood. Holmes, its commanding

officer, had entrenched himself in a strong position, defended by an *abattis*, and Basden, the leader of the attack, through his lack of prudence and rash determination to storm the place, failed in the attempt, and was obliged to retire with heavy loss. In May, an American force of 1500 under Colonel Campbell, made a descent on Port Dover, defended only by a troop of dragoons and a few militiamen, and driving these away, burned the whole place to the ground, a malignant act of sheer destructiveness, which was characterized by even Winfield Scott as "an error of judgment."

Meantime, large bodies of American troops were being massed and drilled at Buffalo; and Drummond with an effective force of only 4,000 to oppose them, watched the preparations with much anxiety, though Prevost either could not, or would not, understand the imminence of the danger in this quarter, being still more occupied with the danger from the force collected on Lake Champlain. Detachments were, however, posted to watch the two opposite directions from which it was likely that Riall at Burlington Heights might be assailed—Sackett's Harbour and Buffalo; and a new fort was built at the entrance to the Niagara River and known as Fort Mississauga. Fort George and Fort Niagara, on the American shore, were also held by British troops, and Riall's force was still further divided by being posted at various points, from Chippewa to Fort Erie, as it was uncertain from what point the attack might be made. Early in June, the American General, Brown, crossed the river at Fort Erie with an invading army of some 5,000 men. The fort which had been only lately re-occupied after a year's abandonment, was very poorly fortified, and held by about 100 men. Defence would have been useless, and Colonel Buck, in command, surrendered with his men, who were marched into the back country as prisoners. The inability of the fort to hold out enabled the army to push on towards Chippewa where Pearson was in command with about 700 regulars, 300 militia and 300 Indians.

Pearson at first advanced with his light troops, but finding the American force well advanced, he was obliged to retreat, breaking up the bridges behind him. On the whole frontier, there were not quite 1800 British troops to oppose to

the two strong brigades under Winfield Scott and Ripley, of much more than double their number. General Riall, however, determined to endeavour to check the enemy's advance by a vigorous resistance at a point known as Street's Creek, where the main body of the American army had encamped. Kingsford calls this action the "Balaclava of the campaign." Again and again the British columns gallantly charged against the solid American line, and as often were forced back by the volleys of grape, cannon, and musketry from massed battalions to front and right. At last Riall, after suffering severe loss, was obliged to order a retreat towards Niagara. The brave attempt, though unsuccessful, was not by any means fruitless, for its demonstration of British and Canadian pluck and determination produced a moral effect which had at least the result of deterring the enemy from following up his success even so far as to molest the retreating force, which made its way to Fort George without interruption. Brown's army advanced leisurely with considerable caution, and occupied Queenston Heights, where it remained for some time nearly inactive, while the light cavalry and Indians made marauding excursions in every direction, plundering and destroying the property of the unfortunate colonists, and burning the village of St. David's, where, however, a British detachment surprised a raiding-party and took many prisoners. Some disaffected American settlers, headed by a man named Willcocks, took a conspicuous part in these plundering raids.

General Brown had been expecting the assistance of Chauncey's fleet to enable him to take Fort George, but owing in part to the illness of Chauncey, and partly to the fact that he was now effectually held in check by Yeo's fleet, Brown gave up his design on the fort, and retreated towards Chippewa, closely followed by Riall, who took up an advantageous position on rising ground in a country road called Lundy's Lane, while awaiting reinforcements in order to proceed to action. Meantime Drummond, at Kingston, on hearing of the affair at Street Creek had ordered a new levy of the militia of the Province, and a number of the settlers who had temporarily returned to their fields and farms loyally responded to the call. Drummond himself hastened on

to York, disbanded all the less able-bodied militiamen, and with 400 men of the 89th and other companies on their way from Kingston, he hastened to Niagara. Finding that Riall had advanced already he sent a detachment under Colonel Tucker against an American force at Lewiston, while he himself pushed on to Queens-ton. The enemy having disappeared from Lewiston Tucker re-crossed the river with his detachment, and Drummond's re-united column of 800 men advanced to join Riall's, of about the same number. Meantime Winfield Scott, believing that the force opposed to him at Lundy's Lane was greater than he had at first thought, sent for reinforcements, and General Brown, with Ripley's and Foster's brigades, hastened to his support. Riall, finding that he was about to be attacked by an overwhelming force, had commenced a retreat countermanded by Drummond, who came up to find himself with 1,600 men, confronted by an American force of at least 5,000, part of which had arrived within 600 yards by the time he had reached the top of the hill at Lundy's Lane. The engagement began with Scott's attack before Riall had completed his formation, though he lost no time in establishing a battery of two guns on the small eminence now crowned by an observatory.

From thence, on a summer's day, the eye can take in a large expanse of sunny, peaceful country, rich woodlands, peach orchards and vineyards, tranquil homesteads, and fields of living green. But on that July evening, from six o'clock till midnight, the peaceful landscape was clouded with heavy sulphurous smoke, the sweet summer air was filled with the dull boom of artillery, the rattle of musketry, the sharp crack of the rifle, the shout of the charge, and the groans of the wounded, all blending strangely with the solemn, unceasing roar of the great cataract close by. The battle, the most fiercely contested of the whole war, raged with fierce obstinacy and severe carnage, and an obstinate determination on both sides. About nine a brief lull in the fighting occurred while the rear guard of the American force under General Brown took the place of Scott's brigade, which had suffered severely. At this critical moment Sir Hercules Scott with 1,200 men arrived on the spot, after a march

of twenty-one miles, and between the two unequal forces thus reinforced the sharp contest was renewed. The chief struggle was for the possession of the guns on the height, and through a successful dash of the American Colonel Miller they were taken for a time, but quickly recovered. The darkness was so great that two guns were exchanged in the hurried retreat. "Nothing," says an onlooker, "could have been more terrible nor yet more solemn than this midnight contest. The desperate charges of the enemy were succeeded by a deathlike silence, interrupted only by the groans of the dying, and the dull sound of the Falls of Niagara." About midnight Brown, having unsuccessfully tried for six hours, with his force of 5,000 against half that number, to force the British from their position, retreated to Chippewa, with a loss of 930; that on the British side numbering 870. Riall had been wounded and taken prisoner early in the action, and both Scott and Brown were wounded, as was Drummond himself, though retaining his command until the end of the battle, cheerily urging on his men to "fight to the last." On the next morning—the 26th—the American commander having destroyed the bridge over the Chippewa, burned Street's Mill, and thrown much of his equipage and provisions into the river, retired to Fort Erie, which had been greatly strengthened since it had surrendered to Brown. Drummond followed so soon as his troops had recovered from the fatigue of Lundy's Lane and, after failing in a well-directed attack on the provision depot at Black Rock, made a gallant attempt to storm the fort which was partially successful, but just as his first column had entered the embrasures an accidental explosion killed many of the storming party, and caused a panic, which forced Drummond to retire with the loss of more than 500 men. Notwithstanding this, however, being reinforced by the 61st and 32nd Regiments, he was able despite an unwholesome site and alarming sickness among his men to keep the American troops blockaded throughout September in Fort Erie.

Meantime British reinforcements of 16,000 men from the Duke of Wellington's army had arrived—men admirably disciplined, and supplied with skilled and experienced generals and excellent artillery. Yet Prevost, with his usual fatuity, at the

head of 12,000 of these troops suffered an inglorious defeat before Plattsburg which stands in strange and unhappy contrast with the gallantly fought actions against greatly superior numbers just related. The departure of a large force under Izzard to reinforce the blockading troops on Lake Erie had left General Macomb with only 1,500 troops, and some 3,000 militia newly called out. Prevost might easily have overpowered his weak enemy, but he was obstinately determined to await the attack of the newly collected fleet, commanded by Downie, who was almost a stranger to his command, and who was prematurely hurried into action by Prevost. Downie was killed fifteen minutes after the firing began, and the British vessels were overpowered. Instead of attacking simultaneously with his artillery he waited till the fleet had been defeated by the greatly superior squadron opposed to them, when he countermanded the advance of the troops he had so irresolutely put in motion, and ordered a retreat, without even an attempt at an assault. The indignation of the disappointed troops was almost uncontrollable, and Macomb could scarcely believe his good fortune. For the lamentable incompetency manifested in his conduct of this affair Prevost was to have been tried by court-martial, but died before this could take place. At Fort Erie the tidings of Prevost's failure encouraged the blockaded garrison to make a vigorous sortie, which was repulsed by Drummond's force, though with the loss of 600 men, half of whom had been made prisoners in the trenches.

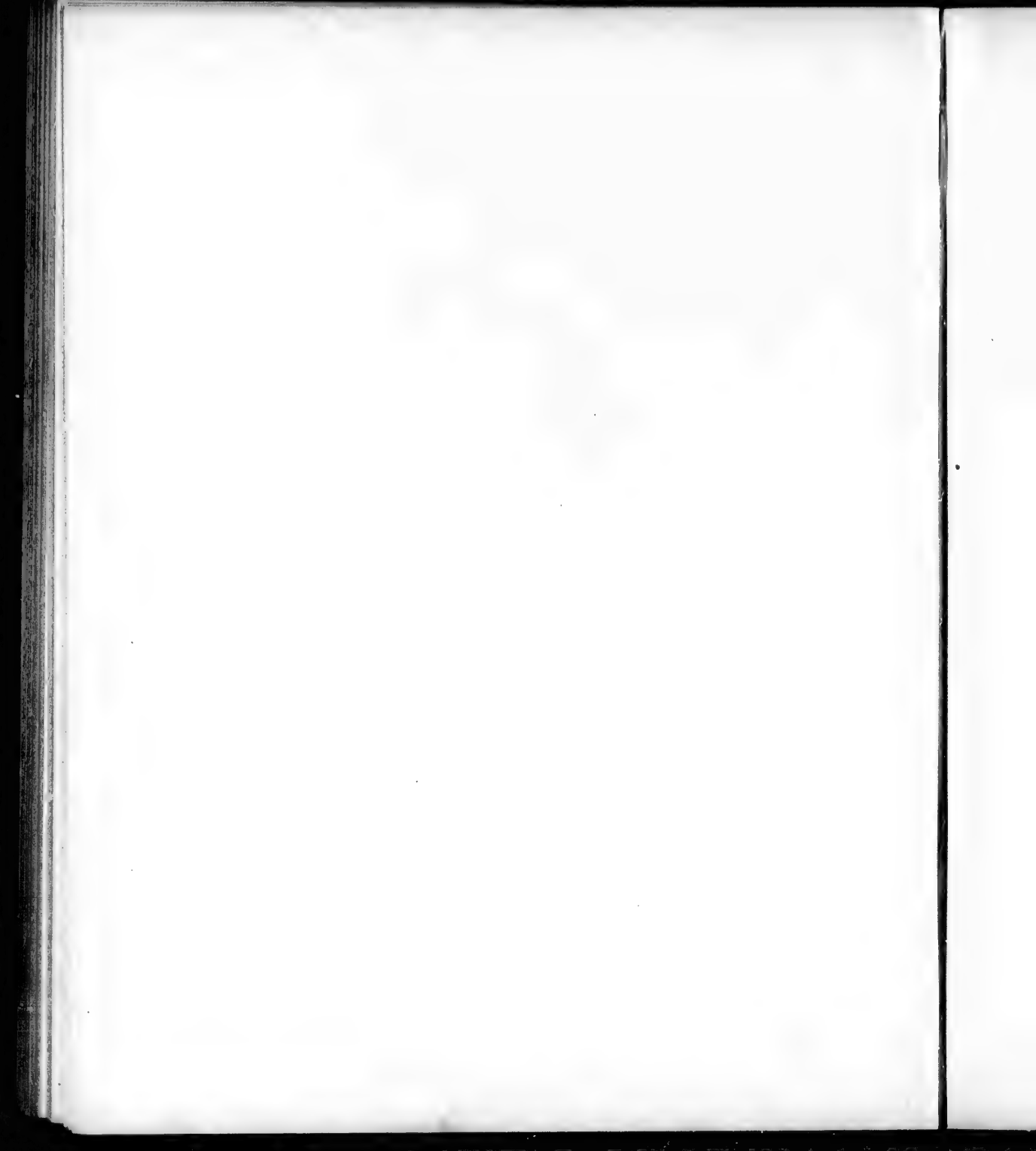
The end of this long and exhausting war was, happily, near at hand. The close of the general war in Europe, early in 1814, had left Great Britain free to begin a retaliatory naval war on the United States, the effects of which were soon felt. The American sea-board, from Maine to Mexico, suffered from the inroads of British squadrons, whose attacks forced the recall of a portion of the American land forces then in Canada. Sir John Sherbrooke, Lieutenant-Governor of Nova Scotia, made successful attacks on the coast of Maine, carrying one point after another, till the whole border from Penobscot to New Brunswick was under British rule, and so continued till the ratification of peace. Farther south, General Ross ascended the Patuxent to Benedict, whence he marched upon Wash-

ington, dispersed its defenders, and burned the Capitol and other public buildings together with the great bridge across the Potomac. An attack on Baltimore was partially successful, but General Ross lost his life in it, and the attempt to take it was eventually relinquished, with considerable loss on both sides. In Florida, the British established themselves for some time, but were defeated before New Orleans. Previous to this, however, in August, 1814, British and American Envoys met at Ghent to consider terms of peace, and in December of the same year, a fortnight before the attack on New Orleans in January, 1815, and after some further hostilities of minor importance on Lake Ontario, the Niagara frontier, and the far West, the treaty of Ghent was ratified. Thus closed this most unjustifiable war, so disastrous in its immediate effects, and so fruitless of results to both nations.

To the United States, the war brought neither glory nor substantial benefit, but only heavy loss. Her merchantmen had been captured to the number of nearly three thousand, her foreign trade almost annihilated, her revenues immensely decreased, direct taxation increased fifty per cent., and the credit of the country so impaired that the Government found it impossible to negotiate a loan. The original sources of dispute, the right of search, and neutral immunity in time of war, remained untouched by the treaty, which concerned itself chiefly with the restitution of the territory taken in the war to its former owners, the boundaries of Maine and New Brunswick being left for adjustment to a Commission. One article, however, securing the extinction of the American oceanic slave trade, conferred at least one material boon on humanity. To Canada, the war was, from a material point of view, an almost unqualified misfortune; and devastated territory, neglected farms, depredations by plundering expeditions, sacrificed lives and desolated homes, were for long the evident marks of the invasion. Forced into hostilities through no quarrel of her own, but simply in virtue of her being an integral part of the British empire, Canada never wavered in her loyalty though frequently contending at a disadvantage against overwhelming odds. During nearly the whole duration of the war inadequate military forces, insufficient supplies of provisions



MAJOR-GENERAL SIR ISAAC BROCK.





and material of war increased the inequality of the contest, while the incapacity of the Governor-General in such a crisis, and at times the inefficiency of leaders, repeatedly betrayed the British cause. Yet the loyal Canadian yeomen willingly threw themselves into the breach, and fought gallantly for their homes and their flag; and the heroic struggle was far from being fruitless in moral benefit to the country.

It gave unity and *esprit de corps* to its diverse elements. French-Canadians and British-Canadians fought side by side, and vied with each other in their devotion to their common country. The very Indians proved unflinchingly steadfast, and many of those who had emigrated from the United States, willingly joined in repelling the invasion.

Increased self-respect and self-reliance fitted and educated the colony for the self-government it was ere long to enjoy; while numbers of new settlers were attracted to Canada, among them many military veterans, who, by the traditions they carried with them, rivetted the already strong links with the mother-land. The opening national life of the country was ennobled by its suffering for the cause it deemed the right; and strengthened, elevated, and purified by its sacrifices in resisting an unrighteous invasion, it emerged from its "baptism of fire," all the more fitted to become a noble and vigorous nation. And the lot into which its struggling infancy refused to be forced is not likely ever to become the choice of its vigorous prime.

When Congress declared war in 1812, Napoleon had 400,000 armed men at his command, and England had for years been fighting a desperate financial, military, and naval conflict for the liberties of Europe. During 1812-13-14, the final struggle in that great duel took place, and it was at the most crucial period that occasion was taken by the United States to help the French Emperor and invade British America. The population of the Republic was then 8,000,000, and that of all Canada 300,000. From the Detroit River to Halifax, there were scattered British regulars, numbering all told only 4,500. The people of Upper Canada, where the bulk of the fighting took place, were only 77,000 in number. The Canadians and British were out-numbered in almost every battle, sometimes four to one, and yet they were successful in all the more important contests. By the end of 1812, Michigan had been conquered. During the succeeding year it was recovered, but at the close of the war Maine was in British hands.

An important organization during the war was the Loyal and Patriotic Society of Upper Canada. Established at Toronto, it extended its branches to different parts of the Province during 1812 and 1815; and did a great deal for the relief of sufferers by the war. The treasurer and organizer of the Society, was the Rev. Dr. Strachan,

afterwards first Bishop of Toronto. He had just been appointed first rector of York. The directors were: William Campbell, afterwards Chief Justice, John Small, W. Chewett, J. Beverley Robinson, afterwards Chief Justice, William Allan, Grant Powell, and Abel Wood. On the destruction of the town of Newark (Niagara), large subscriptions were obtained and distributed for the relief of the sufferers. The following are extracts from its recorded proceedings:

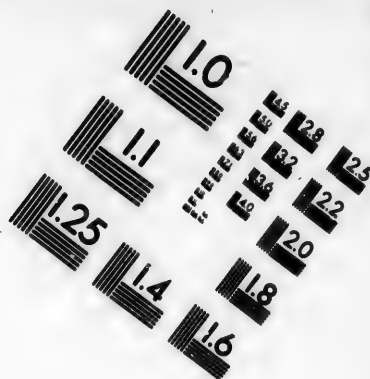
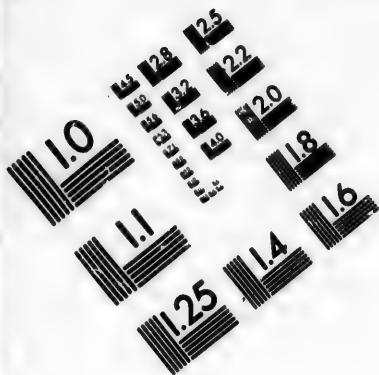
"The inhabitants came forward in the most noble manner, as well as the gallant officers of His Majesty's troops:

Major-General Sheaffe.....	£ 200
Lieutenant-Colonel Bisshopp.....	100

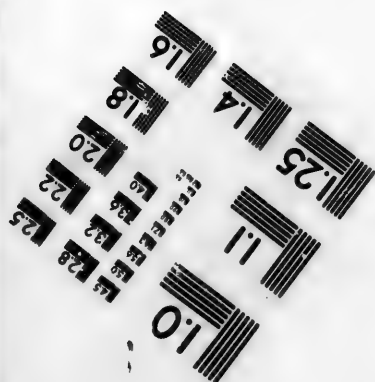
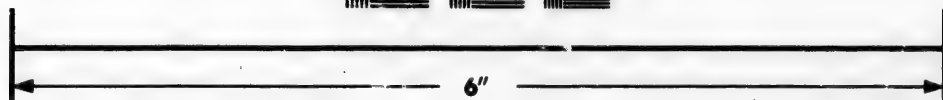
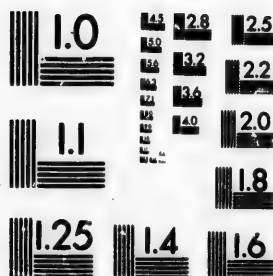
with a vast number of liberal subscriptions, according to the means of the donors, so that in a short time upwards of £2,000 was raised to commence with.

City of Kingston sent.....	£ 500
Amherstburg sent.....	300
City of Montreal sent.....	3,000
Quebec sent.....	1,500

The amount raised in the first year was £10,000, and eight hundred and sixty-four families were relieved from starvation by this timely aid. The following summer a large meeting was held in London (England), at which the Duke of Kent, who had visited Canada twenty years before, pre-



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sided. By his influence a very large sum was subscribed. The Bank of England graced the list with £1,000. This effort produced another £10,000.

Kingston, in Jamaica sent.....£2,000

Nova Scotia sent.....2,500

Indeed, the liberality evinced in all quarters was of the greatest service to the sufferers, and gladdened many bowed down by sorrow and indignance."

**Aside from the undisguised hostility** of the New England States towards this unjust and aggressive war there were many other expressions of dissatisfaction within the Republic. Amongst them was a resolution passed at a convention of delegates from several counties of the State of New York, held at the Capitol, in the city of Albany, on the 17th and 18th days of September, 1812, as follows:

"Resolved, That we shall be constrained to consider the determination on the part of our rulers to continue the present war, after official notice of the revocation of the British Orders in Council, as affording conclusive evidence that the war has been undertaken from motives entirely distinct from those which have been hitherto avowed, and for the promotion of objects wholly unconnected with the interest and honour of the American nation.

Resolved, That we contemplate with abhorrence, even the possibility of an alliance with the present Emperor of France, every action of whose life has demonstrated that the attainment, by any means, of universal empire, and the consequent extinction of every vestige of freedom, are the sole objects of his incessant, unbounded, and remorseless ambition. His arms, with the spirit of free men, we might openly and fearlessly encounter, but of his secret arts, his corrupting influence, we entertain a dread we can neither conquer nor conceal. It is therefore with the utmost distrust and alarm that we regard his late professions of attachment and love to the American people, fully recollecting that his invariable course has been by perfidious offers of protection, by deceitful professions of friendship, to lull his intended victims into the fatal sleep of confidence and security, during which the chains of despotism are silently wound round and rivetted on them."

**On the 4th of February, 1812,** Major-General Brock, accompanied by a numerous suite, opened the session of the Legislature at York with the following memorable Speech from the Throne:

"Honourable Gentlemen of the Legislative Council, and Gentlemen of the House of Assembly.

I should derive the utmost satisfaction, the first time of my addressing you, were it permitted me to direct your attention solely to such objects as tend to promote the peace and prosperity of this Province.

The glorious contest in which the British empire is engaged, and the vast sacrifice which Britain nobly offers to secure the independence of other nations might be expected to stifle every feeling of envy and jealousy, and at the same time to excite the interest and command the admiration of a free people; but, regardless of such general impressions, the American Government evinces a disposition calculated to impede and divide her efforts.

England is not only interdicted the harbours of the United States, while they afford a shelter to the cruisers of her inveterate enemy, but she is likewise required to resign those maritime rights which she has so long exercised and enjoyed. Insulting threats are offered, and hostile preparations actually commenced; and though not without hope that cool reflection and the dictates of justice may yet avert the calamities of war, I cannot under every view of the relative situation of the Province be too urgent in recommending to your early attention the adoption of such measures as will best secure the internal peace of the country, and defeat every hostile aggression.

Principally composed of the sons of a loyal and brave band of veterans, the militia, I am confident, stand in need of nothing but the necessary legislative provisions to direct their ardour in the acquirement of military instruction, to form a most efficient force. The growing prosperity of these Provinces, it is manifest, begins to awaken a spirit of envy and ambition. The acknowledged importance of this colony to the parent state will secure the continuance of her powerful protection. Her fostering care has been the first cause, under Providence, of the uninterrupted happiness you have so long enjoyed. Your industry has been

liberally rewarded, and you have in consequence risen to opulence.

These interesting truths are not uttered to animate your patriotism, but to dispel any apprehension which you may have imbibed of the possibility of England forsaking you; for you must be sensible that if once bereft of her support, if once deprived of the advantages which her commerce and the supply of her most essential wants give you, this colony, from its geographical position, must inevitably sink into comparative poverty and insignificance. But Heaven will look favourably on the manly exertions which the loyal and virtuous inhabitants of this happy land are prepared to make to avert such a dire calamity. Our gracious Prince, who so gloriously upholds the dignity of the Empire, already appreciates your merit, and it will be your first care to establish, by the course of your actions, the just claims of the country to the protection of His Royal Highness.

I cannot deny myself the satisfaction of announcing to you from this place, the munificent intention of His Royal Highness the Prince Regent, who has been graciously pleased to signify that a grant of £500 per annum will be proposed in the annual estimates for every future missionary of the Gospel sent from England who may have faithfully discharged, for the term of ten years, the duties of his station in this Province.

Gentlemen of the House of Assembly:

I have no doubt but that, with me, you are convinced of the necessity of a regular system of military instruction to the militia of this Province; on this salutary precaution, in the event of war, our future safety will greatly depend, and I doubt not but that you will cheerfully lend your aid to enable me to defray the expense of carrying into effect a measure so conducive to our security and defence."

**The following Proclamation was issued in July, 1812, to the people of Canada, by Brigadier-General Hull, at the village of Sandwich:**

"To inhabitants of Canada:

After thirty years of peace and prosperity, the United States has been driven to arms. The injuries and aggressions, the insults and indigni-

ties of Great Britain have once more left them no alternative but manly resistance or unconditional submission. The army under my command has invaded your country, and the standard of union now waves over Canada. To the peaceful, unoffending inhabitant it brings neither danger nor difficulty. I come to find enemies, not to make them. I come to protect, not to injure you.

Separated by an immense ocean and an extensive wilderness from Great Britain, you have no participation in her councils, no interest in her conduct. You have felt her tyranny, you have seen her injustice—but I do not ask you to avenge the one or redress the other. The United States are sufficiently powerful to afford you every security, consistent with their rights and your expectations. I tender you the invaluable blessings of civil, political, and religious liberty, and their necessary result, individual and general prosperity—that liberty which gave decision to our councils and energy to our conduct in our struggle for independence, and which conducted us safely and triumphantly through the stormy past of the Revolution—that liberty that has raised us to an elevated rank among the nations of the world, and which has afforded us a greater measure of peace and security of wealth and improvement, than ever yet fell to the lot of any people.

In the name of my country, and by the authority of my government, I promise protection to your persons, property, and rights. Remain at your homes; pursue your peaceful and customary avocations; raise not your hands against your brethren. Many of your fathers fought for the freedom and independence we now enjoy. Being children, therefore, of the same family with us, and heirs to the same heritage, the arrival of an army of friends must be hailed by you with a cordial welcome. You will be emancipated from tyranny and oppression, and restored to the dignified station of freemen.

Had I any doubt of eventual success, I might ask your assistance; but I do not. I come prepared for every contingency. I have a force which will look down on all opposition, and that force is but the vanguard of a much greater. If, contrary to your own interests and the just expectation of my country, you should take part in the

approaching contest, you will be considered and treated as enemies, and the horrors and calamities of war will stalk before you. If the barbarous and savage policy of Great Britain be pursued, and the savages be let loose to murder our citizens, and butcher our women and children, this war will be a war of extermination. The first stroke with the tomahawk, the first attempt with the scalping knife, will be the signal of one indiscriminate scene of desolation. No white man, found fighting by the side of an Indian, will be taken prisoner—instant destruction will be his lot. If the dictates of reason, duty, justice, and humanity cannot prevent the employment of a force which respects no rights and knows no wrong, it will be prevented by a severe and relentless system of retaliation.

I doubt not your courage and firmness—I will not doubt your attachment to liberty. If you tender your services voluntarily, they will be accepted readily. The United States offer you peace, liberty, and security. Your choice lies between these and war, slavery, and destruction. Choose, then, but choose wisely; and may He who knows the justice of our cause, and Who holds in His hand the fate of nations, guide you to a result the most compatible with your rights and interests, your peace and happiness.

By the General,

A. P. HULL."

Headquarters, Sandwich,  
July 12, 1812.

**The eloquent and forcible manifesto** which follows was General Brock's first reply to the insolent words of the invader. His second was the capture of Michigan :

"The unprovoked declaration of war by the United States of America against the United Kingdom of Great Britain and Ireland, and its dependencies, has been followed by the actual invasion of this Province, in a remote frontier of the western district, by a detachment of the armed force of the United States. The officer commanding that detachment has thought proper to invite His Majesty's subjects not merely to a quiet and unresisting submission, but insults them with a call to seek voluntarily the protection of his government.

Without condescending to notice the epithets bestowed in this appeal of the American commander to the people of Upper Canada on the administration of His Majesty, every inhabitant of the Province is desired to seek the confutation of such indecent slander in the review of his own particular circumstances. Where is the Canadian subject who can truly affirm to himself that he has been injured by the Government in his person, his property, or his liberty? Where is to be found, in any part of the world, a growth so rapid in prosperity and wealth as this colony exhibits? Settled, not thirty years, by a band of veterans exiled from their former possessions on account of their loyalty, not a descendant of these brave people is to be found who, under the fostering liberality of their Sovereign, has not acquired a property and means of enjoyment superior to what were possessed by their ancestors.

This unequalled prosperity would not have been attained by the utmost liberality of the Government or the persevering industry of the people had not the maritime power of the Mother Country secured to its colonists a safe access to every market where the produce of their labour was in request.

The unavoidable and immediate consequences of a separation from Great Britain must be the loss of this inestimable advantage; and what is offered you in exchange? To become a territory of the United States, and share with them that exclusion from the ocean which the policy of their government enforces; you are not even flattered with a participation of their boasted independence, and it is but too obvious that once estranged from the powerful protection of the United Kingdom you must be re-annexed to the dominion of France, from which the provinces of Canada were wrested by the arms of Great Britain, at a vast expense of blood and treasure, from no other motive than to relieve her ungrateful children from the oppression of a cruel neighbour. This restitution of Canada to the Empire of France was the stipulated reward for the aid afforded to the revolted colonies (now the United States). The debt is still due, and there can be no doubt but the pledge has been renewed as a consideration for commercial advantages, or rather for an expected relaxation in the tyranny

of France over the commercial world. Are you prepared, inhabitants of Canada, to become willing subjects, or rather slaves, to the despot who rules the nations of continental Europe with a rod of iron? If not, arise in a body, exert your energies, co-operate cordially with the King's regular forces to repel the invader, and do not give cause to your children, when groaning under the oppression of a foreign master, to reproach you with having so easily parted with the richest inheritance of this earth—a participation in the name, character, and freedom of Britons!

"The same spirit of justice which will make every reasonable allowance for the unsuccessful efforts of zeal and loyalty will not fail to punish the defalcation of principle. Every Canadian freeholder is, by deliberate choice, bound by the most solemn oaths to defend the monarchy, as well as his own property; to shrink from that engagement is treason not to be forgiven. Let no man suppose that if in this unexpected struggle, His Majesty's arms should be compelled to yield to an overwhelming force the Province will be eventually abandoned; the endeared relations of the first settlers, the intrinsic value of its commerce, and the pretensions of its powerful rival to re-possess the Canadas, are pledges that no peace will be established between the United States and Great Britain and Ireland of which the restoration of these provinces does not make the most prominent condition.

"Be not dismayed at the unjustifiable threat of the commander of the enemy's forces to refuse quarter should an Indian appear in the ranks. The brave bands of aborigines which inhabit this colony were, like His Majesty's other subjects, punished for their zeal and fidelity by the loss of their possessions in the late colonies, and rewarded by His Majesty with lands of superior value in this province. The faith of the British Government has never yet been violated—the Indians feel that the soil they inherit is to them and their posterity protected from the base arts so frequently devised to over-reach their simplicity. By what new principle are they to be prohibited from defending their property? If their warfare, from being different to that of the white people, be more terrific to the enemy let him retrace his steps—they seek him not—and cannot expect to

find women and children in an invading army. But they are men, and have equal rights with all other men to defend themselves and their property when invaded, more especially when they find in the enemy's camp a ferocious and mortal foe, using the same warfare which the American commander affects to reprobate.

"This inconsistent and unjustifiable threat of refusing quarter, for such a cause as being found in arms with a brother sufferer in defence of invaded rights, must be exercised with the certain assurance of retaliation, not only in the limited operations of war in this part of the King's dominions, but in every quarter of the globe, for the national character of Britain is not less distinguished for humanity than strict retributive justice, which will consider the execution of this inhuman threat as deliberate murder, for which every subject of the offending power must make expiation.

ISAAC BROCK,  
Major-General and President."

Headquarters:

Fort George, July 22, 1812.

By order of His Honour the President,

J. B. CLEGG,

Captain and A.D.C.

**The invasions of Canada** by the Americans during the war have been summarized as follows:

1. General Hull, at Sandwich.... 3,000 men.
2. General Van Rensselaer, at  
Queenston..... 2,000 "
3. General Smyth, at Fort Erie.. 3,000 "
4. General Pike, Toronto..... 2,500 "
5. General Dearborn, Fort George 3,000 "
6. General Winchester, Chry-  
sler's Farm, for Montreal.... 3,000 "
7. General Hampton, Chatea-  
uguay River, for Montreal... 8,000 "
8. General Brown, Fort Erie..... 5,000 "
9. General Brown, Lundy's Lane 5,000 "
10. General Izzard, Fort Erie... 8,000 "
11. General Wilkinson, Lacolle  
Mills, L.C..... 2,500 "

Total number of invaders.....45,000 men.



**An Address to the Prince Regent** was passed by the Legislature of Upper Canada, on March 6th, 1813, expressive of the popular sentiment regarding Sir Isaac Brock. The following extract is interesting:

"While we pray Your Royal Highness to accept our most cordial congratulations on the splendid achievements of His Majesty's forces, and of those of his allies in various parts of the globe, and in particular on the extraordinary successes which, under Divine Providence, have attended His Majesty's arms in this portion of his dominion; we should do injustice to the memory of our late truly illustrious President, Major-General Brock, under whose auspices the latter were, during his lifetime, principally achieved, did we omit to accompany them with feelings of the most poignant sorrow for his fall.

He had endeared himself to us by his able, virtuous and disinterested administration of the civil government, and by the zeal, military talent, and bravery, which characterized and marked his conduct in the field.

To his energy, his promptitude, and his decision, do we feel ourselves in a great degree indebted, for having, at this moment, the happiness of enjoying the privileges of your Majesty's subjects. His disinterested and manly conduct aroused the spirit of the country, and called it forth for self-defence against a most insidious foe."

**An interesting episode of the war** is the British capture of the American capital. The Rev. Dr. Withrow, in his *History of Canada*, states that in 1814 the British maintained a most harassing blockade along the Atlantic seaboard. The close of the Continental war had enabled Great Britain to throw more vigour into the conflict with the United States. Her giant navy was freed from service in European waters, and Admiral Cockburn, with a fleet of fifty vessels, about the middle of August, arrived in Chesapeake Bay with troops destined for the attack on Washington. Tangier Island was seized and fortified, and fifteen hundred negroes of the neighbouring plantations were armed and drilled for military service.

There were two rivers by which Washington might be approached—the Potomac, on which it is

situated, and the Patuxent, which flows in its rear. The British commander chose the latter, both on account of the facility of access, and for the purpose of destroying the powerful fleet of gunboats which had taken refuge in its creeks. This object was successfully accomplished on the 20th of August, fifteen of the gunboats being destroyed and one captured, together with fourteen merchant vessels. The army, under the command of General Ross, on the following day disembarked at Benedict. It numbered, including some marines, three thousand five hundred men, with two hundred sailors to drag the guns—two small three-pounders.

For the defence of Washington, General Winder had been assigned a force of sixteen thousand six hundred regulars, and a levy of ninety-three thousand militia had been ordered. Of the latter, not one appeared; of the former, only about one-half mustered. The Americans had, however, twenty-six guns against two small pieces possessed by the British. General Winder took post at Bladensburg, a few miles from Washington. His batteries commanded the only bridge across the East Potomac. Ross determined to storm the bridge in two columns. Not a moment did the bronzed veterans of the Peninsular War hesitate. Amid a storm of shot and shell they dashed across the bridge, carried a fortified house, and charged on the batteries before the second column could come to their aid. Ten guns were captured. The American army was utterly routed, and fled through and beyond the city it was to defend. The lack of cavalry and the intense heat of the day prevented pursuit by the British. The brilliant action was saddened to the victors by the loss of sixty-one gallant men slain and one hundred and eighty-five wounded.

Towards evening the victorious army occupied the city. The destruction of the public buildings had been decreed, in retaliation for the pillage of Toronto and the wanton burning of Niagara. An offer was made to the American authorities to accept a money payment by way of ransom, but it was refused. The next day the torch was ruthlessly applied to the Capitol, with its valuable library, the President's House, the Treasury, War Office, arsenal, dockyard, and the Long Bridge across the Potomac. A fine frigate, a twenty-gun

sloop, twenty thousand stand of arms, and immense magazines of powder had already been destroyed. The town of Alexandria was saved from destruction by the surrender of twenty-one vessels, sixteen hundred barrels of flour, and a thousand hogsheads of tobacco. A few days later and General Ross retired once more to his ships.

At the time when war was declared there were but few regular British troops in the country. Dr. Kingsford states the number at 4,450, and of these 1,500 only were above Montreal. They were the 8th, 41st, 49th, and 100th Regiments, with a small detachment of artillery. There were also present the 10th Royal Veteran's Regiment, the Newfoundland Fencibles, and the Glengarry Fencibles,—lately raised and disciplined. The force above Montreal consisted of the

41st Regiment.....	900
10th Veterans.....	250
Newfoundland Regiment.....	250
Royal Artillery.....	50
Provincial Seamen.....	50
Total.....	1,500

**The British and Canadian Commanders** in the war of 1812 were nearly all men of experience and some of them afterwards attained high rank. The following personal details are of value in connection with the history of the struggle:

Major-General Sir Isaac Brock was born in the Island of Guernsey, on October 6th, 1769—the year which gave birth to Napoleon and Wellington. In his fifteenth year he joined the army as an Ensign, and in 1797 became a Lieut.-Colonel by purchase. He saw active service in Holland, was wounded at the battle of Egmont-of-Zee in 1799, and was second in command of the land forces at Lord Nelson's attack on Copenhagen in 1801. In the succeeding year he sailed for Canada in command of the 49th Regiment, and in 1805 became a full colonel. During the succeeding year he was appointed to the command of the troops in Upper and Lower Canada with rank as a Brigadier; in 1810 assumed command in Upper Canada alone; and

in 1811 became a Major-General and President and Administrator of the Government in that Province. On October 12th, 1812, he died at Queenston Heights, one week after being gazetted an extra Knight of the Order of the Bath for his victory at Detroit.

General Sir Roger Hale Sheaffe, Bart., was born in Boston in 1763 and entered the army in 1778. He served in Ireland for some years, in Canada from 1787 to 1797, in Holland, and in the Baltic. From 1802 until 1813 he served again in Canada—first under the command of Brock and then as his successor for a year. He was created a baronet in 1813 and became a full General in 1828. He died in 1851.

General Sir George Prevost, Bart., was born on May 19th, 1767, distinguished himself in the West Indies, became Governor of Dominica, and in 1803 was created a baronet. In 1805 he was appointed Lieut.-Governor of Portsmouth, and in 1808 Lieut.-Governor and Commander of the troops in Nova Scotia. He was second in command of the expedition sent to capture Martinique, and in 1811 was appointed Commander-in-Chief of the forces in all British America, and became Governor-General in July, 1812. As such he served through the war with the Americans. Towards the close of 1814 he was recalled and was to have been tried by court-martial. He died in 1816, however, before the trial could take place.

Colonel the Hon. Charles Micheld' Irumberry de Salaberry, C.B., Seigneur de Chambly et de Beaulac, was born at the Manor House of Beauport, on November 19th, 1778. He served in the West Indies for eleven years under General Prescott, and fought at the siege of Fort Matilda and the conquest of Martinique. He was aide-de-camp to Major-General de Rottenburg in the Walcheren expedition, and on his return to Lower Canada organized the Voltiguers and became the first Lieut.-Colonel of the regiment. At the close of the war of 1812 he was made a C.B., given the gold medal struck by Great Britain in honour of the battle of Chateauguay, and awarded a vote of thanks by the Provincial Legislature. From 1818 until his death in 1829 he was a member of the Legislative Council of Lower Canada.

General Sir Phineas Riall, K.C.B., entered the army in 1794 as an Ensign of the 92nd Regiment

and rose by purchase to the Lieut.-Colonelcy of the 15th Foot in 1806. He commanded a brigade in the expedition against Martinique, in that against Saintes in 1809, and in the capture of Guadeloupe in 1810. For these services he was given a medal and clasp, and in 1813 became a Major-General. After the close of the American war he was appointed, in 1816, Governor of the Island of Grenada. He was made a Knight Commander of the Hanoverian Order in 1831; knighted in 1833; appointed Commander of the 75th Regiment in 1835, and of the 15th Regiment in 1846; and was made a General in 1841. He died in 1851.

Colonel Joseph Wanton Morrison, C.B., the hero of Chrysler's Farm, was born at New York on May 4, 1783, and entered the army as an Ensign at the age of ten years. He served during the campaign in Holland and in the Mediterranean until 1802, when he purchased a Majority. In 1804 he was appointed inspecting field officer of yeomanry in Ireland, and in 1809 became Lieut.-Colonel of the 1st West India Regiment at Trinidad. In 1811 he was removed to his former regiment, the 89th, and in the following year was sent to Halifax. For his services at Chrysler's Farm he received a vote of thanks from the House of Assembly of Lower Canada and was presented with a sword by the merchants of Liverpool. He was severely wounded at Lundy's Lane and had to return to England, where, in 1819, he became a full Colonel. After serving gallantly in India as a Brigadier-General from 1822 to 1826 he died at sea on his way home in the latter year.

General Sir George Gordon Drummond, G.C.B., was born at Quebec in 1771 and entered the army as an Ensign in 1789. His promotion was rapid and in 1794 he was appointed to the command of the 8th Regiment. In this command he served in Holland under the Duke of York, and distinguished himself at the Siege of Minneguen. From the Netherlands he was sent to Minorca in 1800, and during the following year served under Sir Ralph Abercrombie in Egypt. From 1806 to 1808 he was second in command in the West Indies, and in the latter year was appointed on the staff in Canada. In 1811 he had become a Lieut.-General, and in August, 1813, was appointed second in command under Sir G. Prevost. To-

wards the close of 1814 he succeeded the latter as Commander-in-Chief, and was also made Administrator of the Government of the Canadas. This position he held until relieved at his own request in 1816. In 1815 he was made a K.C.B., and two years later a G.C.B. In 1825 he became a full General and died in 1854.

General Sir John Harvey, K.C.B., K.C.H., was born in 1778 and entered the army in 1794 as an Ensign in the 80th Regiment. He served in Holland in that year, on the coast of France in 1795, at the Cape of Good Hope in 1796, in Ceylon for three years from 1797, and in Egypt in 1801-2. He was with the Madras army in the Mahratta war of 1803, and for several years following with the Bengal army under Lord Lake. In 1808, his health being impaired, he accepted a staff appointment in England, and from 1809 to 1812 commanded a regiment in Ireland. In June, 1812, he was sent to Canada as Deputy Adjutant-General, and served throughout the war with boldness, skill, and success. In 1824 he became a K.C.H., and in 1838 a K.C.B., and Colonel of the 59th Foot in 1844. Sir John Harvey was Governor of New Brunswick in 1837-41, Governor of Newfoundland in 1841-46, and Governor of Nova Scotia in 1846-52. He died in the latter year.

Commodore Sir James Lucas Yeo, R.N., K.C.B., was born at Southampton in 1782, and entered the Royal Navy at a very early age, becoming lieutenant at fifteen. He served in various parts of the world during the prolonged war with France, and was made a post-captain for services at the conquest of Cayenne in 1809, besides receiving signal Spanish honours. His exploits on the lakes in the American war contribute a bright page to Canadian history, despite some reverses. He died in 1810 while on a voyage home from the African coast.

Lieut.-Colonel Cecil Bisshopp, a British commander who gave up his life in the war of 1812, was a son of Sir Cecil Bisshopp, Bart.—afterwards Baron de la Zouche—and was born in 1783. He entered the army at the early age of sixteen, represented Newport for some time in the House of Commons, and was attached for a year to the Russian embassy of Sir John Borlase Warren. After serving with distinction in Flanders, Spain

and Portugal, he was sent to Canada in 1812. Here he showed much gallantry and skill upon several occasions until he met his death in July of the following year at the battle of Black Rock.

Lieut.-General Francis, Baron de Rottenburg, K.C.H., became major of Hompesch's Hussars in 1795, and Lieut.-Colonel of the 60th Foot in 1797. He served in Ireland during the Rebellion of 1798, and was present at the capture of Surinam in 1799. After holding various staff appointments at home he was in command of the light infantry in 1809 during the Walcheren expedition, and in May, 1810, took command of the garrison at Quebec with the rank of Major-General. In 1812 he was appointed to the command of the Montreal district, and in 1813 assumed command in Upper Canada, and also became Administrator of the Government. He attained the rank of Lieut.-General, and died in England in 1832.

Colonel George McDonell, C.B., was a member of the well-known Glengarry family of that name, and was born in 1770. After serving for some years in the King's Regiment and attaining the rank of captain, he organized in 1811 the Glengarry Light Infantry and became its Major. Shortly afterwards he was appointed Lieut.-Colonel and commander and distinguished himself by the capture of Ogdensburg in February, 1813. For his brilliant services at the battle of Chateauguay he, as well as Colonel de Salaberry, was awarded the C.B. and a gold medal. After the close of the war he became Lieut.-Colonel of the 79th Foot, married a daughter of Lord Arundel of Wardour, and died in 1870.

Lieut.-Colonel the Hon. John McDonell was born at Greenfield, Inverness, Scotland, in 1787. He was brought to Glengarry, in Canada, three years later by his father, studied law, and was called to the Bar in 1808, and became Attorney-General of Upper Canada in 1811. At the breaking out of the war he was appointed A.D.C. to General Brock and took a prominent part in the capture of Detroit. His death at Queenston Heights, in trying to avenge the fall of Brock, is embalmed in Canadian history, and his remains now rest with those of his leader under the memorial overlooking the Niagara river.

Colonel James Fitzgibbon was born near the

River Shannon in Ireland, Nov. 16, 1780, joined the army in 1799 as a sergeant, and in the beginning of 1813 was Lieutenant of the 49th Regiment. His exploit at Beaver Dam made him a Captain in the Glengarry Regiment. After the war he held several minor civil offices in Upper Canada, and in 1822 became Assistant Adjutant-General. In the same year he was appointed Deputy Provincial Grand Master of the Masons. In 1826 he was gazetted Colonel of the West York Militia Regiment. In 1827 he was appointed Clerk of the House of Assembly, and in 1828



Colonel George McDonell, C.B.

Registrar of the Court of Probate. During the rebellion of 1837 he did good service in the defence of Toronto. In 1850 he was appointed one of the Military Knights of Windsor, where he died in December, 1863.

By the Berlin Decrees Napoleon, after winning the battles of Jena and Austerlitz, and entering the capital of Prussia as a conqueror, proposed to crush England through its commerce and to practically compel all other nations to act as his allies.

The United States, which was thus *forbidden* intercourse with a friendly power, did not greatly resent the action, but the moment Great Britain retaliated upon France by her Orders-in-Council, the American republic, instead of sympathizing with the cause of liberty in its struggle against the great despot of Europe, rang with threats of war. The following were the chief "orders" given in the Berlin Decrees as published in *Le Moniteur*, 5th December, 1806:

1. The British Isles were to be in a state of blockade.
2. Intercourse with them by Neutrals was prohibited.
3. Every British subject within the limits of French authority was to be held as a prisoner of war.
4. All British property, private and public, was declared the prize of war.
5. Merchandise from England was declared a prize of war.
6. Half of the product of confiscations was to be applied to indemnify merchants for the property captured by British cruisers.
7. No British ships were to be admitted into any port of France, or her allies.
8. Every vessel eluding this rule was to be confiscated.

The French naval strength was not sufficient to enforce these commands, while the British fleets were quite able to carry out the Orders-in-Council. Hence the injury done American commerce by England was very much greater than that inflicted by France. But the principle was the same and both powers were equally striving to exclude American ships from each other's ports. Above all, Napoleon was the aggressor.

**The following letter from Colonel** (afterwards Lieut.-General Sir John) Harvey was written from Kingston on 9th February, 1815, to the Rev. Dr. Strachan, at York, and gives an important historical view of the war through which the writer had just served so gallantly:

"I rejoice to find that the population of this Province, even on the most exposed frontier, is beginning to feel present security and confidence for the future. This is the first fruits of the influx of regular troops into the Province. The good

effects of the money which the war has been the means of introducing into the pockets of the yeomanry will now begin to be experienced. Henceforward I trust that the inhabitants of the Province will not otherwise feel the inconvenience of a state of war (should it please Mr. Madison to prolong it) than in the aid which all must occasionally contribute to the indispensable service of the transport of the army.

When I am told how many millions of money have already been poured by the parent State into these Provinces the sensation excited in my mind is not that of regret, nor do I feel disposed to join in the not infrequent exclamation that they are not worth one-tenth of the sum, but I reflect with satisfaction that by this most fortunate influx of wealth these colonies have received a stimulus (or an impetus, or both) which will propel them on the road to prosperity, to population, to national importance, more than would fifty years of dull, stagnant peace.

I view it as a solemn pledge that the interests of a country on which such treasure and blood have been lavished has not been abandoned. The advantages of this war, independent of the influx of wealth, are incalculable. The country will be purged of its rank and noxious subjects, and every man will know his neighbour. The test will have been applied to all, and it will be the duty of all to bear in recollection to a more tranquil period how each has conducted himself under it."

**After the Burning of Niagara** and similar occurrences, Sir George Prevost referred to the outrages in his communications with Admiral Sir Alexander Cochrane, at Bermuda. The latter finally issued a much discussed Proclamation in which a system of retaliation was declared to be a part of warfare. It was on this principle that Washington was taken, and its public buildings made to suffer the fate inflicted by the United States on York and Niagara. It has been greatly misrepresented by American writers owing to publication in an imperfect manner. The following is the complete document, and it may be noted that the words in brackets were withdrawn by a general Order dated July 26th:

"Proclamation, 18th July, 1814.

By the Honourable Sir Alexander Cochrane, C.B.

Whereas, by letters from His Excellency, Lieut.-General Sir George Prevost, of the 1st and 2nd of June last, it appears that the American troops in Upper Canada have committed the most wanton and unjustifiable outrages on the unoffending inhabitants, by burning their mills and houses, and by a general devastation of private property. And whereas, His Excellency has requested that in order to deter the enemy from a repetition of similar outrages I would assist in inflicting measures of retaliation.

You are hereby required and directed to destroy, and lay waste such towns and districts upon the coast as you may find assailable. You will hold strictly in view the conduct of the American army towards His Majesty's unoffending Canadian subjects, (and you will spare merely the lives of the unarmed inhabitants of the United States.) For only by carrying this retributory justice into the country of our enemy can we hope to make him sensible of the impolicy, as well as the inhumanity of the system he has adopted.

You will take every opportunity of explaining to the people how much I lament the necessity of following the rigorous example of the commanders of the American forces. And as these commanders must obviously have acted under instructions from the Executive Government of the United States, whose intimate and unnatural connection with the government of France has led them to adopt the same system of plunder and devastation, it is therefore to their own government the unfortunate sufferers must look for indemnification for the loss of property.

And this order is to remain in force until I receive information from Sir George Prevost that the Executive Government of the United States have come under an obligation to make full remuneration to the injured and unoffending inhabitants of the Canadas for all the outrages their troops have committed.

Given under my hand at Bermuda, 28th July, 1814.

(Signed) ALEX. COCHRANE."

**In 1824 a monument was erected on Queens-**

ton Heights in honour of Brock and McDonell. In 1840, a mass meeting of the people of the Province was called on Queenston Heights to take steps to rebuild the monument, which had been partially blown up by an American miscreant named Lett. It was by proclamation a public holiday. Fourteen steamers came up the river majestically from Niagara—larger average boats than are found now on Lake Ontario, such boats as the *Great Britain* and the *William IV.*, with four funnels. Behind them came an armed steamer, *The Traveller*, with the Governor of Upper Canada, Sir George Arthur, on board. Patriotic speeches were made by some of the leading men of the Province, and subscriptions to build a new monument were soon received amounting to \$50,211. The present imposing structure, with the adornment of the grounds, was finished at a cost of \$47,944, leaving a surplus unexpended of about \$2,267. At the inauguration of the Memorial in 1859 a great gathering was present on the Heights and the chief speech was delivered by Colonel the Hon. Sir Allan N. McNab, A.D.C. to the Queen. In the course of his patriotic address he made most eloquent allusions to the hero of the war of 1812 and gave the following history of the monument:

"The deep hold which General Brock had acquired in the affections of the people is manifested by the lively interest which, from the day of his death to the present hour, has been universally taken in his cherished memory and undying fame. This universal feeling of respect prompted the Legislature, soon after the peace, to erect a monument on these Heights sacred to the memory of the illustrious dead. It was done; and his remains, with those of his steadfast friend, McDonell, reposed beneath the lofty and imposing pile—fit emblem of a people's admiration, reverence, and gratitude. Of its wanton and malicious spoliation you are well aware. Let the corrupt heart that conceived the design, and the coward hand that polluted a hero's unguarded shrine, under the cloak of midnight darkness, remain in darkness to the end of time. We would not give a further thought to the reprobate perpetrator, but leave him to the contempt and scorn of all mankind. The flame of indignation which the act lit up



throughout Canada blazed conspicuously upon these Heights in the year 1840. We here saw a mighty host assembled from all parts of the Province, not only to express their resentment but to show forth to the world their lasting veneration for the departed warriors whose tomb had been thus desecrated.

It was there, amidst the vehement acclamation of thousands, resolved to reconstruct by private subscription another trophy, more towering than the first, in proof that the feeling which animated the Legislature in 1815 and the men of that day, had not waned, but still glowed in every breast, and to testify that the lamented soldiers, though dead, did indeed live in the hearts of their countrymen. The fruits of that day's resolution now covering the bodies of Brock and McDonell appear in the beautiful column which stands before us: *Esto perpetua*. It may be proper for me to give here a brief outline of the proceedings which have led to this result. It being rightly apprehended that the former monument had been so much shaken that it must soon fall in fragments, the necessity for taking steps to replace it became urgent. The initiative was taken on the 4th of June, 1840, by the men of Gore, whom I had the honour to command. These gallant men, on the occasion of their annual parade, passed a series of resolutions, expressing, in strong terms, their solicitude on this subject. Those resolutions, having been by me transmitted through the Adjutant-General, Colonel Bullock, to the Lieut.-Governor, Sir George Arthur, were cordially responded to by His Excellency. He, in compliance with the wishes expressed by the men of Gore, and in furtherance of the desired object, summoned the militia and other inhabitants of Upper Canada to assemble on Queenston Heights on the 30th of July of the same year. In obedience to the call, a meeting of many thousands took place at the base of the shattered column, and there resolutions were passed which I need not detain you by repeating. Suffice it to say that all offerings were to be spontaneous, and that the opportunity might, without inconvenience to the contributors, be extended as widely as the inclination prevailed, the amount to be subscribed by the officers and men of the militia was limited to one day's pay of their respective ranks when on active service.

Subscriptions were from time to time received from thousands who were thus appealed to, and additional sums were received from other sources—among others, the officers and men of several regiments of the loyal New Brunswick Militia presented their donations, and expressed in warm terms their respect for the memory of General Brock, and their sympathy with the object in contemplation. Very handsome contributions were also made by the brave Indian chiefs and warriors, many of whom rendered such good service on the memorable 13th of October, and on many other occasions, some of the most trying that occurred during the war. The remittances of these brave and faithful warriors were accompanied by addresses to the Queen's Representative, expressive of their indignation and disgust at the atrocious act of desecration which had rendered their assistance necessary. These addresses emanated from the chiefs of different tribes, scattered throughout Upper Canada, and all breathed a similar feeling, expressed in the native eloquence and beauty of language for which the warrior chiefs of the 'red men of the forest' are so justly celebrated.

In acknowledging their liberal gifts they were assured that their names should be honourably associated with those of their white brethren in this laudable undertaking, as their money would be mingled with the common fund raised for the accomplishment of a common object. And it has been done. It may be proper hereafter to publish the whole correspondence and proceedings which ensued after the meeting of the 30th of July, 1840, including the names of all the militiamen and others through whose pecuniary aid the Committee was, after much unavoidable delay, enabled to commence and eventually to finish the structure which we are now assembled formally to inaugurate. I will add that donations were received from gentlemen in England, including General Brock's brother; from Lord Aylmer, Lord Sydenham, and Sir John Harvey; from militiamen of Lower Canada and New Brunswick; but principally from the officers and men of the Militia and the Indian chiefs and warriors within the limits of Upper Canada. Designs were called for, and the one submitted by the talented architect, Mr. William Thomas, was selected.



Under his superintendence the whole has been satisfactorily completed by Mr. John Worthington, the builder, in the style you see."

**At the meeting in 1840** Chief Justice Sir John Beverley Robinson, who, as a youth, had served at the battle of Queenston Heights, made an eloquent speech, from which the following is an extract:

"Among the many who are assembled here from all parts of this Province, I know there are some who saw, as I did, with grief, the body of the lamented General borne from the field on which he fell, and many who witnessed with me the melancholy scene of his interment in one of the bastions of Fort George. They can never, I am sure, forget the countenances of the soldiers of that gallant regiment which he had long commanded, when they saw deposited in the earth the lamented officer who had for so many years been their pride; they can never forget the feelings displayed by the loyal militia of this province when they were consigning to the grave the noble hero who had so lately achieved a glorious triumph in the defence of his country; they looked forward to a dark and perilous future, and they felt that the earth was closing upon him in whom, more than any other human means of defence, their confidence had been reposed. Nor can they forget the countenances, oppressed with grief, of those brave and faithful Indian warriors, who admired and loved the gallant Brock, who had bravely shared with him the dangers of that period, and who had most honourably distinguished themselves in the field where he closed his short but brilliant career."

**Bishop Strachan's Letter** to Thomas Jefferson, ex-President of the United States, narrating how the war had been conducted by the Republic, is a most important historical document. It was dated at York, 30th January, 1815, and the first part reads as follows:

"In your letter to a member of Congress, recently published, respecting the sale of your library, I perceive you are angry with the British for the destruction of the public buildings at Washington, and attempt, with your accustomed candour, to compare that transaction to the devastations committed by the Barbarians in the

middle ages. As you are not ignorant of the mode of carrying on the war adopted by your friends, you must have known that it was a small retaliation, after redress had been refused for burnings and depredations, not only of public but private property, committed by them in Canada; but we are too well acquainted with your hatred to Great Britain to look for truth or candour in any statement of yours where she is concerned. It is not for your information, therefore, that I relate in this letter those acts of the army of the United States in the Canadas, which provoked the conflagration of the public buildings at Washington, because you are well acquainted with them already; but to show the world that to the United States and not to Great Britain must be charged all the miseries attending a mode of warfare originating with them, and unprecedented in modern times.

A stranger to the history of the last three years, on reading this part of your letter, would naturally suppose that Great Britain, in the pride of power, had taken advantage of the weak and defenceless situation of the United States to wreak her vengeance upon her. But what would be his astonishment when told that the nation, said to be unarmed and unprepared, had provoked and first declared the war, and carried it on offensively for two years, with a ferocity unexampled, before the British had the means of making effectual resistance. War was declared against Great Britain by the United States of America in June, 1812—Washington was taken in August, 1814. Let us see in what spirit your countryman carried on the war during this interval.

In July, 1812, General Hull invaded the British province of Upper Canada, and took possession of the town of Sandwich. He threatened (by a proclamation) to exterminate the inhabitants if they made any resistance; he plundered those with whom he had been in habits of intimacy for years before the war—their plate and linen were found in his possession after his surrender to General Brock; he marked out the loyal subjects of the King as objects of peculiar resentment, and consigned their property to pillage and conflagration. In autumn, 1812, some houses and barns were burnt by the American forces near Fort Erie, in Upper Canada.

In April, 1813, the public buildings at York, the capital of Upper Canada, were burnt by the troops of the United States, contrary to the articles of capitulation. They consisted of two elegant halls, with convenient offices for the accommodation of the Legislature and of the courts of justice. The library and all the papers and records belonging to these institutions were consumed at the same time. The church was robbed, and the town library totally pillaged. Commodore Chauncey, who has generally behaved honourably, was so ashamed of this last transaction that he endeavoured to collect the books belonging to the public library, and actually sent back two boxes filled with them, but hardly any were complete. Much private property was plundered, and several houses left in a state of ruin. Can you tell me, Sir, the reason why the public buildings and library at Washington should be held more sacred than those at York? A false and ridiculous story is told of a scalp having been found above the Speaker's chair, intended as an ornament.

In June, 1813, Newark came into the possession of your army (after the capture of Fort George) and its inhabitants were repeatedly promised protection to themselves and property, both by General Dearborn and General Boyd. In the midst of these professions, the most respectable of them, although non-combatants, were made prisoners and sent into the United States; the two churches were burnt to the ground; detachments were sent, under the direction of British traitors, to pillage the loyal inhabitants in their neighbourhood, and to carry them away captive; many farm houses were burnt during the summer; and at length, to fill up the measure of iniquity, the whole of the beautiful village of Newark, with so short a previous intimation as to amount to none, was consigned to the flames. The wretched inhabitants had scarcely time to save themselves, much less any of their property. More than four hundred women and children were exposed without shelter on the night of the 10th of December, to the intense cold of a Canadian winter, and great numbers must have perished had not the flight of your troops, after perpetrating this ferocious act, enabled the inhabitants of the country to come in to their relief.

Your friend, Mr. Madison, has attempted to

justify this cruel deed on the plea that it was necessary for the defence of Fort George. Nothing can be more false. The village was some distance from the fort; and instead of thinking to defend it, General McClure was actually retreating to his own shore when he caused Newark to be burnt. This officer says that he acted in conformity with the orders of his government; the government, finding their justification useless, disavow his conduct. McClure appears to be the fit agent of such a government. He not only complies with his instructions, but refines upon them by choosing a day of intense frost, giving the inhabitants almost no warning till the fire began, and commencing the conflagration in the night.

In November, 1813, the army of your friend, General Wilkinson, committed great depredations in its progress through the eastern district of Upper Canada, and was proceeding to systematic pillage when the commander got frightened, and fled to his own shore on finding the population in that district inveterately hostile.

The history of the two first campaigns proves beyond dispute that you had reduced fire and pillage to a regular system. It was hoped that the severe retaliation taken for the burning of Newark, would have put a stop to a practice so repugnant to the manners and habits of a civilized age; but so far was this from being the case that the third campaign exhibits equal enormities. General Brown laid waste the country between Chippewa and Fort Erie, burning mills and private houses, and rendering those not consumed by fire uninhabitable. The pleasant village of St. David was burnt by this army when about to retreat.

On the 15th of May a detachment of the American army, under Colonel Campbell, landed at Long Point, district of London, Upper Canada, and on that and the following day, pillaged and laid waste as much of the adjacent country as they could reach. They burnt the village of Dover and all the mills, stores, distillery, and dwelling houses in the vicinity, carrying away such property as was portable, and killing the cattle. The property taken and destroyed on this occasion was estimated at fifty thousand dollars.

On the 19th of August some American troops and Indians from Detroit surprised the settlement

of Port Talbot, where they committed the most atrocious acts of violence, leaving upwards of 234 men, women and children, in a state of nakedness and want. On the 20th of September a second excursion was made by the garrison of Detroit, spreading fire and pillage through the settlements in the western district of Upper Canada. Twenty-seven families on this occasion were reduced to the greatest distress. . . . Early in November, General McArthur, with a large body of mounted Kentuckians and Indians, made a rapid march through the western and part of the London districts, burning all the mills, destroying provisions, and living upon the inhabitants. If there was less private plunder than usual, it was because the invaders had no means of carrying it away."

**General Hull was not the only American leader** who anticipated an easy conquest of Canada. Thomas Jefferson wrote in 1812 that "the acquisition of Canada this year as far as the neighbourhood of Quebec will be a mere matter of marching and will give us experience for the attack on Halifax, and the final expulsion of England from the American continent." During the summer of the same year Dr. Eustis, Secretary of State for War, declared in Congress that "we can take the Canadas without soldiers; we have only to send officers into the provinces and the people, disaffected toward their own government, will rally round our standard." About the same time Henry Clay announced that "it is absurd to suppose we shall not succeed in our enterprise against the enemy's provinces. We have the Canadas as much under our command as she (Great Britain) has the ocean. . . . I would take the whole continent from them and ask them no favours. *I wish never to see a peace till we do.*"

**An important incident and feature of the war** was the management of the Provincial finances and military expenses. They were well arranged. On the 15th of February, 1812, an existing Act was enlarged to admit of the circulation of Army bills to the value of £500,000 currency (\$2,000,000). The issue was authorized of bills not bearing interest of the denomination of \$1, \$2, \$8, \$12, \$16, and \$20, which with the \$4 issue, were not to

exceed in amount \$200,000. A third Act was passed in January, 1814, by which the amount authorized was extended to £1,500,000—\$6,000,000 in Provincial currency.

The first legislation provided for the payment of the interest, and guaranteed the ultimate payment by the Province, if any remained unpaid at the expiration of five years. The second change limited the amount of interest payable by the Provincial exchequer to the original obligation of £15,000 (\$60,000), and gave no security for payment beyond the original loan. According to Dr. William Kingsford, in his History of Canada, it does not appear that the circulation ever exceeded \$4,820,000. "Owing to the inconvenience arising from the scarcity of small change, authority was given for the issue of the notes of smaller amount to the extent of eight hundred thousand dollars. These bills bore no interest, but the holders had the right of demanding £50 bills and upwards bearing interest, in exchange. This legislation answered every purpose both in carrying on the war, and meeting the requirements of life. Sheriffs and bailiffs were held accountable for the interest of the bills which they received, and it was distinctly enacted that no public officer should profit by any interest receivable."

These bills remained in circulation until the close of the war. They were redeemed in cash in December, 1815. On the 23rd of November, 1815, Sir Gordon Drummond issued a proclamation that the army bills would be paid in cash, and that no interest would be allowed after the 14th of December. The bills were thus called in. In his speech to the Legislature on the 20th of December, he told the members that they had the satisfaction of seeing that the Executive Government had redeemed its pledge, by payment of the Army bills in circulation. The House replied expressing its satisfaction, adding that it was "a measure which exemplifies in a most striking manner the national good faith, and which will facilitate similar arrangements hereafter, should the public interests ever require a renewal of them." The operations of the Army bill office continued after the 1st of August, 1817, from time to time, until the 24th of December, 1820, when the office regulating their issue was finally closed.

Dr. Kingsford points out that by the operation of this Act the war was carried on with spirit and energy, relieved from the privation arising from an insufficient currency. Never for a moment was any failure of confidence felt in the bills in circulation. The advantages of this currency seem to have been incalculable, both to the Imperial and Provincial governments. In February, 1815, it was estimated that \$5,200,000 had been issued, of which \$3,200,000 only was bearing interest at 6 per cent., amounting to \$192,000, and of which the Province paid \$60,000, so that the interest paid by the Imperial government did not amount to 2½ per cent.

There are many different views of the relative gain and loss to Canada and the United States in this struggle. The Rev. Dr. Withrow summarizes the situation at the close of the war as follows: "The calm verdict of history finds much ground of extenuation for the revolt of 1776, but for the American declaration of war in 1812 little or none. A reckless Democratic majority wantonly invaded the country of an unoffending neighbouring people to seduce them from their lawful allegiance and annex their territory. The long and costly conflict was alike bloody and barren. The Americans annexed not a single foot of territory. They gained not a single permanent advantage. Their seaboard was insulted, their capital city destroyed. Their annual exports were reduced from £22,000,000 to £1,500,000. Three thousand of their vessels were captured. Two-thirds of their commercial class became insolvent. A vast war tax was incurred, and the very existence of the Union imperilled by the menaced secession of the New England States. The 'right of search' and the right of neutrals—the ostensible but not the real causes of the war—were not even mentioned in the treaty of peace. The adjustment of unsettled boundaries was referred to a commission, and an agreement was made for a combined effort for the suppression of the slave trade. The United States, however, continued its internal slave-traffic, of a character even more obnoxious than that which it engaged to suppress.

On Canada, too, the burden of the war fell heavily. Great Britain, exhausted by nearly

twenty years of conflict, and still engaged in a strenuous struggle against the European despot, Napoleon, could only, till near the close of the war, furnish scanty military aid. It was Canadian militia, with little help from British regulars, who won the brilliant victories of Chrysler's Farm and Chateauguay, and throughout the entire conflict they were the principal defence of their country. In many a Canadian home bitter tears were shed for son or sire left cold and stark upon the bloody plain at Queenston Heights, or Chippawa, or Lundy's Lane, or other hard-fought fields of battle.

The lavish expenditure of the Imperial authorities for ship-building, transport service, and army supplies, and the free circulation of the paper money issued by the Canadian government greatly stimulated the prosperity of the country. Its peaceful industries, agriculture, and the legitimate development of its natural resources, however, were very much interrupted, and vast amounts of public and private property were relentlessly confiscated or destroyed by the enemy."

The following table of the more important Canadian events in the war has been compiled by Dr. William Kingsford :

1812.

- July 3rd. Lieutenant Rolette, in the *Hunter*, on the Detroit river, captured the American schooner *Cayuga*, with baggage and hospital stores.
- 12th. General Hull invaded Canada from Detroit, and issued proclamation.
- 17th. Attack and capture of Michilimackinac by Captain Roberts.
- Aug. 5th. Major Van Horne's detachment defeated near Brownstown, 18 miles south of Detroit. His force, with much loss, pursued for seven miles by Tecumseh.
- 7th. Lieutenant Rolette captured American *batteaux* on their way from Maguaga to Detroit.
- 8th. Brock, with re-enforcements in open boats, left Long Point, Lake Erie, for Amherstburg. Arrived on the 13th.
- 8th. Hull re-crossed river to Detroit, abandoning the position taken by him in Canada.

- 9th. Affair at Maguaga, 14 miles south of Detroit, Major Muir, of 41st, sent to intercept convoy; outnumbered and ordered retreat to boats.
- 16th. Surrender of Detroit by General Hull to Brock, with 2,500 United States troops; the brig *Adams*, 33 pieces of cannon, 2,500 stands of arms, the military chest, and a large quantity of stores. The territory of Michigan surrendered to the British.
- Sept. 21st. Midnight raid upon the sawmill at Gananoque. Mrs. Stone wounded in her bed. — Major Muir's expedition against Fort Wayne, in Ohio. Learning that the place was too strongly garrisoned to be attacked, he retreated unmolested.
- Oct. 9th. Brigs *Detroit* and *Caledonia* cut out under the guns of Fort Erie, by Lieutenant Elliott and party, United States navy.
- 13th. Attack on Queenston Heights, by General Van Rensselaer. Defeat of the United States force, with great loss of killed and prisoners. Death of Brock.
- 23rd. Attack on small picket of the Indian post of Saint Regis.
- 20th. Unsuccessful attack by Dearborn on Odeltown, near the Richelieu, Lower Canada.
- 28th. General Smyth's advance to the Upper Niagara River, on Canadian territory, opposite Black Rock. Expedition failed.
- 1813.
- Jan. 18th. Attack on British picket at Frenchtown, River Raisin, in force under Colonel Lewis.
- 21st. Attack and defeat of General Winchester's force, by Procter, at this spot.
- Feb. 6th. American raid on Elizabethtown (Brockville); 52 non-combatants carried away prisoners.
- 23rd. Attack on Ogdensburg, by Major McDonnell, the British having crossed from Prescott on the ice. Eleven cannons taken, with a large quantity of stores, four officers, 70 rank and file prisoners. The barracks, with armed schooners, and two large gun-boats, burned.
- April 27th. York (Toronto), taken by United States troops. All the public buildings burned. Much private property plundered. Public property seized.
- May 1st. Procter opens fire against Fort Meigs on the Maumee. Abandons operations. Arrives at Amherstburg on the 13th.
- 27th. Attack and capture by United States troops of Fort George, River Niagara. Vincent retreats to Burlington Heights.
- 29th. Unsuccessful attack on Sackett's Harbour, Lake Ontario, by British—Sir George Prevost in command.
- June 3rd. Capture of the U.S. gun-boats *Growler* and *Eagle* on Lake Champlain.
- 5th. Attack on the United States camp, Stoney Creek, seven miles east of Burlington Heights, under Harvey. Its perfect success. The two brigadiers, Chandler and Winder, taken prisoners.
- 8th. Capture of boats and stores on Lake Ontario, after Stoney Creek.
- 24th. Surrender at Beaver Dam of Colonel Boerstler and the United States force to Lieut. Fitzgibbon.
- July 4th. Colonel Clarke's successful attack on Fort Schlosser.
- 11th. British capture of Black Rock. Death of Lieut.-Colonel Bishopp.
- 17th. Fifteen *batteaux* and small gun-boats taken by United States vessels from Sackett's Harbour.
- 20th. Failure of attempt to retake the fifteen *batteaux* at upper part of Goose Creek, by three gun-boats and a land force.
- Procter ascends Maumee against Fort Meigs, and then abandons expedition.
- 31st. Second capture of York (Toronto) by United States troops.
- 31st. Destruction of public buildings and stores at Plattsburg, Lake Champlain, by the British troops.
- Aug. 2nd. Vessels destroyed by the British before Burlington, Lake Champlain.
- 3rd. Failure of Procter's attack against fort at Sandusky.
- 20th. Prevost's reconnaissance of Fort George from Saint David's.
- Sept. 10th. Defeat of the British flotilla on Lake

- Erie, under Barclay, by the United States fleet under Perry.
- 11th. Naval action near Niagara.
- 22nd. Hampton attempts to enter Lower Canada by Odeltown, and retires.
- 24th. Procter abandons Amherstburg.
- 28th. Naval action on Lake Ontario.
- Oct. 5th. Procter defeated by Harrison on the Thames, two miles west of Moraviantown. Death of Tecumseh. Prevost orders abandonment of Burlington Heights. The order not obeyed. Colonel Bostwick captures eighteen marauding traitors near Port Dover.
- 10th. British gun-boats, with force, land at Hamilton, on the St. Lawrence.
- 26th. Action at Chateaugay. British force, under De Salaberry, repulses Hampton with force of not less than 6,000 men.
- Nov. 11th. Battle of Chrysler's Farm. United States force, under General Boyd, defeated by Morrison.
- Dec. 10th. General McClure, N.Y. Militia, burns Newark (Niagara).
- 10th. Fort George evacuated by McClure.
- 15th. Arrival of Sir Gordon Drummond at St. David's.
- 19th. The United States Fort Niagara, stormed by the British, and held to the close of the war.
- 10th. Lewiston, Youngstown, Manchester, Indian Tuscarora, burned and Fort Schlosser destroyed, in retaliation for the burning of Niagara.
- 21st. Attack on Black Rock by the British; public buildings burned. Buffalo captured and burned. Defeat by Metcalf of United States marauding party under Lieutenant arned, at Chatham.
- 1814.
- March 4th. Attack of United States foraging parties from Detroit, at Longwood, under Captain Basden, repulsed.
- 30th. Failure of attack by Wilkinson on Lacolle Mill in Lower Canada.
- April 22nd. Expedition for relief of Michilimackinac, under Colonel McDouall, arrives 10th of May.
- May 5th. Capture of Oswego, by expedition under Sir Gordon Drummond.
- 9th. Pring's unsuccessful naval attack upon Otter Creek, Lake Champlain, U.S.
- 15th. Port Dover burned by Colonel Campbell, of the U.S. 11th Regiment, on his own authority.
- 31st. Attack by British gun-boats on the *batteaux* in Sandy Creek; defeat of detachment, and surrender of 120 British seamen and marines, with Captains Popham and Spilsbury.
- June 23rd. Capture of Prairie-des-Chiens, on the Mississippi.
- July 3rd. United States force under General Brown, crosses to Canada from Buffalo.
- 3rd. Fort Erie surrendered to United States force.
- 5th. Action at Street's Creek. British commanded by Riall. They retreat unmolested after loss of 511 killed and wounded. Brown advances to Queenston.
- 12th. Skirmish. General Swift, United States force, killed.
- 19th. Skirmish at St. David's. Village burned by U.S. troops.
- July 20th. Eight Canadian traitors hanged at Ancaster; seven reserved for Royal pleasure.
- 20th. Brown advances to Chippawa.
- 20th. Attack and plundering of Sault St. Marie by United States force.
- 24th. Sir Gordon Drummond arrives at Niagara.
- 25th. Marches to Queenston and Lewiston.
- 25th. Battle of Lundy's Lane; defeat of United States force, and their retreat to Fort Erie.
- 26th. Ripley fortifies Fort Erie.
- Aug. 3rd. Attack on magazines at Black Rock and Schojeaquady Creek. Failure and retreat of British force.
- 4th. Attack on Michilimackinac by United States expedition. Failure and retreat of force.
- 6th. Raid on Port Talbot by United States force; place burned.
- 12th. Capture of the United States schooners *Ohio* and *Somers* at Fort Erie, by Capt. Dobbs.
- 15th. Storming of Fort Erie by British. Failure of attack.

Sept. 3rd. Capture of United States armed vessels *Tigress* and *Scorpion* on upper Lake Huron.

11th. British fleet, under Downie, defeated on Lake Champlain. Prevost's retreat from Plattsburg on commencement of land attack. 17th. Sortie from Fort Erie. Repulsed by British.

Oct. 10th. The St. Lawrence open for service. British masters of Lake Ontario.

19. Reconnaissance in force by the United States army at Lyon's Creek.

Nov. 5th. Fort Erie evacuated; United States force leaves Canadian soil.

6th. Raid of Kentucky Rifles stopped by strong force on the Grand River.

**By the Treaty of Paris in 1783**, peace had been made between England and the United States. The following were the most important provisions of the arrangement :

Article I. recognized the independence of the Thirteen Colonies.

Article II. provided that the boundary should be generally as at present to the north-west angle of the Lake of the Woods, thence west to the river Mississippi, thence along the middle of the Mississippi to the 31 N. lat., thence east by that parallel to the river Apalachicola, by the river to its junction with the Flint River, and thence to the head of the St. Mary River and along it to the Atlantic Ocean.

Article III. continued the right of United States to fish on banks of Newfoundland, in Gulf of St. Lawrence, etc., also to fish on such part of coast of Newfoundland as British fishermen shall use (but not to dry or cure fish on the island); also to fish on all the coasts, bays, and creeks of the British dominions in America and to dry and cure fish in any of the unsettled bays, harbours and creeks of Nova Scotia, Magdalen Islands and Labrador, but not after settlement.

Article VIII. provided for the free navigation by British subjects of the Mississippi, from its source to the ocean.

**The Treaty of Ghent in 1814** provided for the mutual restoration of all territory taken during the war, while by later official correspondence

arrangements were made as to the naval force which each Power should maintain on the great lakes.

Sir Charles Bagot, His Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary, in a note addressed to Mr. Rush, Acting Secretary of State for the United States, on April 28, 1817, acceded on behalf of the Prince Regent to the proposition of the United States made on August 2, 1816, that the naval force to be maintained on the American Lakes by His Majesty and the Government of the United States should be confined to the following vessels on each side :

On Lake Ontario to one vessel not exceeding one hundred tons, burthened and armed with one eighteen-pound cannon.

On the Upper lakes to two vessels not exceeding like burthen each, and armed with like force.

On the waters of Lake Champlain to one vessel not exceeding like force.

It was also agreed that all armed vessels on these lakes should be forthwith dismantled and that no other vessels of war should be there built or armed. It was further agreed that if either party should desire to annul this stipulation it should cease to be binding after six months from notice. Mr. Richard Rush, Acting Secretary of State, on April 19, 1817, acknowledged the receipt of this note, and on behalf of the United States Government repeated the above agreement in identical terms.

**Under the terms of the Treaty of London** in 1818, it was agreed that fishermen of the United States should have the liberty in common with British fishermen to catch any kind of fish on the coast of Newfoundland, from Cape Ray to the Rameau Islands, and from the Cape to the Quirpon Islands, on the shores of Magdalen Islands, and also on the coasts, etc., from Mount Joly on the southern coast of Labrador to and through the Straits of Belleisle, and thence northward indefinitely along the coast, "without prejudice, however, to any of the exclusive rights of the Hudson's Bay Company," and that United States fishermen should have the right to dry and cure fish on the unsettled parts of Labrador and the southern coast of Newfoundland. The United States renounced any



liberty of their fishermen to take, dry, or cure fish on or within three miles of the coast of British North America, but was to have the right to enter bays or harbours for shelter, for wood and water, or for repairs.

Article II. provided that the international boundary should be along the 49th parallel of north latitude from the north-western point of the Lake of the Woods (or a line drawn north or south from it) to the Stony or Rocky Mountains.

Article III. provided that the country west of the Rocky Mountains claimed by either party, should be free and open to the people of both nations for ten years.

**Let the eloquent words of Colonel W. F. Coffin** in his History of a struggle which should be cherished by all Canadians, conclude these notes :

"1812—like the characters on the laburnum of Constantine is a sign of solemn import to the people of Canada. It carries with it the virtue of

an incantation. Like the magic numerals of the Arabian sage, these words in their utterance quicken the pulse and vibrate through the frame, summoning from the pregnant past memories of suffering and endurance, and of honourable exertion. They are inscribed on the banner and stamped on the hearts of the Canadian people—a watchword, rather than a war cry. With these words upon his lips, the loyal Canadian as a vigilant sentinel, looks forth into the gloom, ready with his challenge, hopeful for a friendly response, but prepared for any other.

The people of Canada are proud of the men and of the deeds and of the recollections of those days. They feel that the war of 1812 is an episode in the history of a young people, glorious in itself, and full of promise. They believe that the infant which in its very cradle could strangle invasion, struggle and endure bravely without repining, is capable of a nobler development if God wills further trial."



Colonel C. M. de Salaberry, C.B.

## THE PLACE-NAMES OF CANADA.

BY

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CANADA has about 10,000 place-names, more or less. How have these names been given? Whence their origin? Much difficulty is experienced in dealing with the place-names of the Dominion, largely in consequence of the relays of nomenclators who have successively tried their 'prentice or their practised powers in that direction. Two illustrations will serve to show the origin and nature of this difficulty.

Take the word *Canada*. At least five derivations for it have been suggested. First from the Algonquin word *Cantata*, meaning "welcome," supposed to have been used by the Indians when they first saw Cartier, whom they received with many demonstrations of joy. Second, from the Iroquois word *Canatha*, meaning "a collection of huts," and being the word the Algonquins applied to their chief town. Third, from a Spanish word *Acanada*, meaning "there is nothing there," indicating that the Spaniards saw no signs of gold as they skirted the coast of the Gulf of St. Lawrence. Fourth, from a Portuguese word *Canada*, meaning "narrow passage," and implying that the Portuguese, long before Cartier's time, sailed up the St. Lawrence and gave the name *Canada* to the country through which the comparatively narrow river flowed, viz., that above Quebec. Those who advocate Portuguese origin point to the fact that Montreal is not the French from *Montroyal*, but the Portuguese *Montreal*. Fifth, Cordeiro says the word is Basque for *Canal*, which would convey the same idea as "strait, or narrow passage." The Micmac Indians of Nova Scotia call a narrow passage like that between Halifax Harbour and Halifax Basin, *Quebec*, and the Algonquins have the same word for the same purpose.

The Rev. George Patterson (*Transactions of Royal Society of Canada*, 1890, page 159) says: "Canada is a Portuguese word in use in the fifteenth century, and to this day in the islands, to denote a narrow road, or especially one bordered by walls or traced in an unknown wilderness." How it came to be employed to designate this country he thus explains: "When Cartier on his second voyage had reached the west point of Anticosti, he says that the Indians whom he had taken on board the year before at Gaspé (and who are supposed to have been from one of the tribes up the river) told him that there began the great river Hochelaga, the highway to Canada (*Chemin de Canada*); that the further up it went the narrower it became even into Canada, and that there (viz., in Canada) the fresh water began, which went so far up that they had never heard of any man who had reached its source, and where there was no passage except by boat." While conning over the various derivations of *Canada*, and with that of Mr. Patterson specially in my mind, I happened to take up Bret Harte's "Susy, A Story of the Plains." There I found frequent mention of the *Canada*, meaning thereby a narrow road or passage closed in on both sides by forest and high rocks—the word distinguishing the narrow, contracted passage from the turnpike at either end with its wide expanse of plains on the right hand and on the left. This is the Spanish term in use to this day in various parts of this continent. The two words at once ranged themselves in "the deadly parallel column" of the newspapers.

It seems reasonable to suppose that the word *Canada* has the same meaning as the word *Quebec*, the one being Indian and the other a word common to both the Spanish and Portuguese languages. Looking at the map one can see that the most

striking fact to Indians and to navigators on the great river would be its sudden narrowing where Cape Diamond thrusts its huge flanks athwart the waters. The Portuguese and the Spanish would say *Canada* to-day just as their forebears centuries ago said it. The Indians would to-day say *Kébec*—just as those whom Cartier talked with said *Kébec*. *Québec* is the inchoial word, *Canada* is its translation. Thus from the peculiar configuration (a prolific source of place-names) of the river at the point at which the City of *Québec* stands the whole country has received its name as well as the Province and City itself.

The other illustration is the word *Labrador* respecting the origin of which there are six stories ascribing the name to Basque, Portuguese, Indian, French, and English origin and giving several reasons, all potent and convincing, why the origin should be any one of the six—*Labrador*, the name of the man who discovered it, being the most likely. It will, therefore, be seen at a glance into what a linguistic labyrinth one has to plunge if he essays to undertake an eponymous pilgrimage through the Dominion.

In this new world, from some cause or other, we have not been subject to the same tendencies that directed our ancestors in their choice of place-names. As a rule there are not the same meanings to be found in them as can be extracted from many of the place-names of England. Thus the suffix *ham*, which is very frequent in English names, is comparatively rare in *Canada*, and in very few instances does it suggest the same derivation. In England it expresses the sanctity of the family bond. It is the old Anglo-Saxon word for home. What few of these words we have such as *Durham*, *Chatham*, *Farnham*, *Brigham*, *Walsingham*, suggest their origin as from places in England or from persons famous in English story. They do not suggest the deep, endearing, old-world meaning. I know in *Canada* of a few place-names which were evidently created on the old Anglo-Saxon plan. In *Drummond County* there is *Grantham*—the home of the Grants, so named after *William Grant* the original holder of the land grant. In *Missisquoi County*, *Dunham* was so named after *Thomas Dun*, the leader of a band of associates who came across the seas like the early Anglo-Saxon rovers, and obtained the grant of the town-

ship. In these instances there is a curious survival of the custom which dotted the English counties with so many *hams*.

Several events have naturally seized the public mind and had great influence in suggesting the place-names of our country. Perhaps as good an illustration as there is of the way in which place-names have been so given is the city of *Victoria*, *British Columbia*. It was first *Camosun*, (the old Indian name) then it became, under *Hudson's Bay Company* rule, *Fort Camosun*; then *Fort Albert*, then *Fort Victoria*, finally it shed the "Fort" and full-fledged it appears as *Victoria*. The streets of *Victoria* were named by the then colonial surveyor in the year 1858. That officer decided upon the following plan of naming the streets: 1st, in honour of the Governors of the Island, *Blanchard* and *Douglas*; 2nd, in mindful regard for distinguished navigators on the *British Columbian* coasts,—*Vancouver*, *Cook*, *Quadra*, *Mears*, *Roberts*, *Gordon*, *Johnson*, etc.; 3rd, in remembrance of the *British* ships of war which had visited the port in the earlier years of its history—"Discovery," "Cormorant," "Cadboro," "Pandora," "Herald," "Fisguard," "Constance," etc.; 4th, in commemoration of noted Arctic explorers,—*Franklin*, *Kane*, *Rae*, *Scoresby*, *Parry*, *Richardson*, etc.; 5th, in compliment to *Eastern Canada*, her lakes, rivers, cities, and towns,—*St. Lawrence*, *Montreal*, *Québec*, *Simcoe*, etc. Thus a walk through *Victoria* is most suggestive. Every street recalls some event, person, or place of interest in our history. Here also are to be found the germs of the nomenclature of *Canadian* places. Expanded we have:

1. The navigators who explored the coasts and rivers of the country.
2. The occupation of the country successively by the Indian, the French, and the English races.
3. The coming of the Loyalists.
4. The political condition of *Canada* which gives the hegemony to Great Britain.
5. The settlement of the country by means of land companies and the French Seigniorial system.
6. The development of the country by railway companies.
7. The political changes which have taken place in the vast region now called *Canada*.

8. The piety of the people which is commemorated in the place-names derived from the Roman and the Saxon hagiologies.

9. The regard in which we hold the Sovereign, the historians, the warriors, the explorers, the poets, heroes, orators, sages, and scientists of the Empire.

10. The prominence of individuals of local fame.

11. Accidents which have happened and have been commemorated by those to whom they happened.

12. Physical characteristics impressed upon the minds of the early nomenclators, and translations of the same by subsequent travellers of different races.

13. Besides these there are others which evade any classification, except the vague one, "Nobody knows how or why."

Examples of all these sources for geographical nomenclature in Canada abound. The Redman's memory is embalmed in hundreds of their names of music which linger on mount, and stream, and bay. Thus Manitoba is the "Strait of the Spirit" in the language of the Saulteaux. Assiniboia is from the Indian tribe of Assiniboines. The word means "stone builders," and they were so named from the way in which they boiled meat. Having killed a buffalo they scooped out a round hole in the ground and lined it with the skin of the beast. Then they poured water into it, placed pieces of the meat therein, and then in a neighbouring fire heated stones very hot. These were dropped into the water till it boiled. Dr. Bryce, quoting from Dr. Neill, the historian of Minnesota, U.S.A., states that the Dakota tradition is that a quarrel over a love affair took place between two Sioux families resulting in the separation of one of the families from the rest of the tribe, and its settlement near Big Stone Lake, hence the progeny were called Stone Indians or Assiniboines. These two stories have one fact in common, viz.: that the name resulted from a *family broil*.

Other Indian words are those ending in "Aska" as Yamaska, meaning "shore covered with weeds"; Kamouraska, "there are weeds on the shore"; Athabasca, "there are rushes here and there"; Madawaska, "there are rushes on the shore."

Nipissing, is "the little body of water"—little by comparison with the Great Lakes; Quebec, in the Cree meaning, "it is shut or narrowed," the river appearing to be shut or closed whether one comes from above or below the promontory, and in the Micmac, "a strait or narrow passage," the river widening both above and below; Stadacona, signifying "wing" and therefore applied because the point between the St. Lawrence and the St. Charles rivers on which it was built suggested to the Indian the form of an outstretched wing. These instances could, of course, be multiplied indefinitely. Most of the Indian names are interesting because of the description embalmed in them, as Cacouna, "the home of the porcupine"; Rimouski, "the home of the dog"; Chicoutimi, "the end of the deep water"; Winnipeg, "dirty water"; Ashuapmouchouan, "a place to watch the moose"; Caughnawaga, "at the rapids"; indicating the place of abode of this tribe near the rapids of St. Louis; Metapedia, "musical river."

For word-building, the Indians of the past rival the Germans of to-day. Some of the names are so long as to make undue demands upon the alphabet and upon space on the official envelope. Gaduamgoushout is the name of a river in the County of Bonaventure. Ketegaunesebe in Algoma was such a jaw-breaker that the inhabitants, thinking life too short, changed it to Garden River. Magaguadavick in New Brunswick was such a mouthful that the people with true Saxon instinct huddle the syllables together and call it "Macadavie." Quatawamkegewick river in New Brunswick; Kennebecasis, the snake river, (so named because of its many windings and twistings); Punkutloochencha Lake in British Columbia; Whycomagh (shortened to Hugoma) in Cape Breton; Penetanguishene (boiled down to Penetang) in Ontario are other examples. The Indian words ending in *atagane*, meaning "the Portage," are interesting specimens of word-building, thus: Matehouskacapatagane, "the portage of the bad precipice"; Nitchuccapatagane, "the portage of the otter"; Mouchouechescoutecapatagane, "the portage of the burnt country"; Casseouetsatagane, "the portage cutting the two headlands"; Askicetacapatagane, "portage of the Chaudiere Falls"; Capatagane, "portage where is a small lake half way."

The French have left their impress all over the country in the names they conferred upon places. Cartier was a great nomenclator. L'Abbe Verreau mentions thirty place-names given by Cartier, many of which remain to this day, others having been supplanted by more recent names. St. Lawrence River, named by Cartier because he anchored in a small bay on the river on the day dedicated to the Saint; St. John River, named by De Monts in 1604, because he first saw it on St. John's day; Montreal, named by Cartier, because of the Royal Mount there; Baie des Chaleurs, in New Brunswick, also named by Cartier, because of the great heat he experienced there; Port Mouton, in Nova Scotia, named by De Monts, because one of the sheep he had brought from France jumped overboard there and was lost; the Isle-aux-Coudres, "the island where grew the hazel bushes"; and Bonne Esperance, meaning "Good Hope." These are a few of the names given by the early French which serve to illustrate the way in which the name-fathers gave places their names. Bellechase, "happy hunting ground"; Terrebonne, "good land"; Bonaventure, "good luck," are other examples. Later on came the names of men who had been connected in one way and the other with New France. From this source we have the names of the counties of Jacques Cartier, Champlain, Lotbiniere, Laval, Levis, Montmagny, Montmorency, Rouville, Vaudreuil, and Vercheres. The Basques are suggested to us in the names Port Aux Basques, L'ile Aux Basques, Basque Point in Cape Breton, as well as the place-name, Cape Breton, itself.

The English have left their mark deep and broad all over the land. Naturally many place-names are the outward and visible sign of the loyalty of the people. There are fourteen Victorias, and sixteen variations of Victoria, such as Victoria Beech, Victoria Dale, Victoria Peak, scattered all over the country to testify to our love and esteem for the gracious Sovereign of the British realms, while the French Canadians have done even better, and have placed Her Majesty among the Saints as Ste. Victoire, and have gone back to the Queen's aunt and canonized her as Ste. Adelaide, apparently to insure that Queen Victoria shall be doubly a saint,—

firstly, in her own right, and secondly in that of her ancestor.

King George III. took a great and natural interest in the fortunes of the United Empire Loyalists whose zeal for the unity of the Empire had caused them to uphold their principles and incur obloquy, confiscation of property, and banishment at the hands of the merciless Revolutionary leaders. These patriots endured the perils of the pathless wilderness and came to the British Provinces of Canada, or, crowded in schooners, sought freedom along the coasts of New Brunswick and Nova Scotia. Here they were welcomed to the estimated number of 40,000. Many of them had to be fed and clothed by public charity. For three years the government granted rations of food while the refugees were settling upon their grants of land and beginning their new life. The nature of the welcome they received may be judged from the fact that the British Parliament voted fifteen million dollars for the indemnification and assistance of these true patriots.

To express in some measure, and in almost the only way they could, their gratitude to the King for his exertions in their behalf they took the names of his children for place-names. Fortunately George III. had a large family—fifteen children. Each child with one exception is commemorated in a place-name. George in Georgetown; Frederick in Fredericksburg in Lennox County; William Henry, in Prince William Henry Isles in Matchedash Bay; Charlottenburg in Glengarry, (Charlotte County in New Brunswick and Charlottetown in P.E. Island are named after the wife of George III.); Augusta in Grenville; Elizabethtown in Brockville District; Matilda in Dundas; Edwardsburg in South Grenville; Sophiasburg, Marysburg and Ameliaburg in Prince Edward County as well as the county itself; Ernestown and Adolphustown in Lennox; Alfred in Prescott—these are all monuments of the gratitude of the United Empire Loyalists to the good old King whose homely virtues and right royal adherence to his pledged word were household topics in the rough homes of the thousands who esteemed home virtues and honour better than ignoble acquiescence in the revolutionary doctrines enunciated by men of low lives such as Samuel Adams and other leaders.

There is scarcely a Colonial Secretary whose memory is not perpetuated in Canada. We have Hillsborough, Dartmouth, Sackville, Ellisville, Shelburne, Grantham, Townsend, Sydney, Guildford, Leeds, Grenville, Portland,—names of the Secretaries for the Colonies between 1768 and 1794. From 1794 to 1854 the Colonial Secretaries whose reigns are remembered in our place-names are Dundas, Buckingham, Hobart, Camden, Londonderry, Liverpool, Bathurst, Ripon, Murray, Goderich, Stanley, Monteagle, Aberdeen, Glenelg, Normanby, Russell, Derby, Gladstone, Grey, Newcastle, in fact all of them down to 1854, except Huskisson (1827). From 1855 to 1896 we have Herbert, Molesworth, Taunton, Lytton, Cardwell, Chandos, Granville, Kimberley, Carnarvon, Stanhope, all excepting Sir Michael Hicks-Beach, who presided over the Colonial Office in 1878, and the Right Hon. Joseph Chamberlain, who is at present (1897) the Colonial Secretary. The Under-Secretaries of State for the Colonies have also been honoured in many instances in Canada's place-names. Thus we have Howick, Hope, Lyttleton, Peel, Chichester, Norton, Monsell, Knatchbull, Ashley, Dunraven, Onslow, Hay, Merivale, Stephen, Sandford, and Fairview.

The land companies and the great railway companies have had a large share in the naming of places. The Company of One Hundred Associates have contributed such place-names as Richelieu, Ouelle, Lauson, Magdeleine, etc. The Canada Land Company has given us Galt, McGillivray, Williams, Logan, Hibbert, Osborne, and several others commemorative of directors of that Company. The Hudson's Bay Company has supplied place-names by the score. Haliburton, in Ontario, commemorates Canada's great humorist "Sam Slick," in his capacity of chairman of one of the land companies.

The Canadian Pacific Railway Company have been great place-name givers. Along their system in Canada there are over 1,000 railway stations, a large proportion of which were named by the heads of that railway. For instance, the higher prominences of British Columbia's mountain ranges have been selected by the C.P.R. to preserve the memory of those who took a prominent part in the movements connected with the

spanning of Canada by the railway. Mount Macdonald and Mount Agnes in the Rockies commemorate Sir John and Lady Macdonald. I remember when the officials of the railway broached to Sir John, in 1886, the propriety of naming the mountain, at the foot of which we stood, after him, how he shrank from the proposal, his face showing how unwelcome the idea was to his modest simple nature. I believe that he never gave his assent to the proposal; at any rate he did not on the day it was first mentioned to him. Mount Stephen, named after Sir George Stephen, the first President of the C.P.R., has given a title to the British Peerage. Rogers' Pass commemorated the perilous journeys of Major Rogers, who for many months wandered through the Rockies, enduring great privations and often risking his life in the attempt to find a pass through which the transcontinental railway could be taken, and Palisser's affirmations of the utter impracticability of building a railway through the "sea of mountains" proved to be absurd. Anyone who visits the pass will wonder at the genius of the man who described a route for a railway through that mountain-tossed region.

The piety of the people has been mentioned as one of the sources of place-names of Canada. We have culled from the Roman and Saxon hagiologies over 400 names of saints, and have employed them to designate rivers, capes, lakes, cities, towns, and villages. To study them all out would task the patience of most of us. Yet each and all mean something good and noble. Each speaks to us of devotion, of faith, of confidence in Divine Providence. The titular saints of France, England, Scotland, Ireland, and Wales present themselves in every part of Canada. Nearly a score of St. Mary's, as many of St. John's, nearly a dozen St. Paul's, as many St. Peter's, half a dozen St. Patrick's, eight or ten St. Andrew's, a couple of St. David's, a dozen St. George's, tell of the influence of the patron saints upon our geographical nomenclature.

The regard in which we hold the great names of the Empire is seen in the place-names of Tennyson, Hallam, Macaulay, Murchison, Faraday, Palmerston, Gladstone, Wellington, and many others. The Governors-General of Canada have given many names to the country. Cartier, Champ-

lain, and Roberval, already mentioned, Montmagny, Frontenac, Vaudreuil, Longueuil, Beauharnois, Ramezay, D'Aileboust, Jonquiere, Lauson, recall governors of the French regime; and Amherst, Murray, Carleton, Haldimand, Dorchester, Prescott, Drummond, Sherbrooke, Richmond, Dalhousie, Kempt, Aylmer, Colborne, Maitland, Durham, Metcalfe, Elgin, Monck, Lisgar, Dufferin, Lorne, Lansdowne, and Stanley, remind us of the Englishmen who followed their illustrious predecessors in the gubernatorial chair, while British Columbia, to make sure of priority of possession, has already appropriated Aberdeen, and Ontario, Haddo.

Political changes have been great place-name creators. The two old Provinces of Quebec and Nova Scotia are the original centres of population in the Dominion. In the early times they were known as New France and Acadia, and place-names were scattered freely about. Thus New France, according to a map published by Ortelius in 1572, was divided into Canada, Chiloga, Saguenai, Moscosa, Avacal, Norumbya, and Terra Corterealis. These sufficiently indicate that the French geographers and politicians were then hard at work to ear-mark the whole country as their own.

Then came English occupation, and with it new names, each successive occupation leading to a change in place-names till the seaboard of the country, from the Passamaquoddy Bay round Nova Scotia and the Gulf shore and up the River St. Lawrence, has accumulated winrows of names—has become a great *kitchenmidden* of old, lapsed and superseded place-names.

On the 24th of July, 1788, Lord Dorchester, Governor-General, under authority of two Acts passed by the Legislature, divided the then Province of Quebec into seven districts, viz., Gaspe, Quebec, Montreal, Lunenburg, Mecklenburg, Nassau and Hesse. A few years later the old Province of Quebec was divided into Upper and Lower Canada. In May, 1792, a proclamation was issued dividing the Province of Lower Canada into twenty-one counties, all of them, with six exceptions, bearing English names, as Devon, Hertford, Kent and York. In July, 1855, the Province of Lower Canada received many new electoral district names, and such was the reversal

that there were in a few years forty electoral districts with French names, and ten each with English and Indian place-names.

In July, 1792, Governor Simcoe, by proclamation under the Constitutional Act, divided Upper Canada into six districts. (1) Eastern, (2) Johnstown, (3) Midland, (4) Home, (5) London, (6) Western. In 1795 the Home was subdivided into Home and Newcastle, and the London into London and Niagara. These districts were subdivided into counties and ridings numbering 158. In 1867 the division of the old Province of Quebec continued, but the separate parts were named Quebec and Ontario and new electoral districts were created. The changes that have been brought about by the addition of Manitoba and the Northwest Territories have necessitated an enlarged list of place-names. Thus the political changes are responsible for much place-naming and are more or less clearly mirrored in the place-names of Canada.

The explorations of the Arctic circle in search of the Northwest Passage and the North Pole have resulted in a large crop of place-names. Franklin, Richardson, Back, Simpson, Dease and Rae may be said to have explored, outlined and named the whole coast of the Arctic Ocean from Point Barron to Hudson's Bay. Their names are all attached to rivers, straits, islands and capes discovered by them.

Some of them are: Baffin Land, after William Baffin, 1615-16; Davis Strait, after John Davis, 1585-6-7; Frobisher Strait, after Martin Frobisher, 1576-77; Hudson's Bay, after Henry Hudson, 1610; Fox Channel and Island, after Luke Fox, 1631; James Bay, after Capt. James, 1631; Mackenzie River, after Alex. Mackenzie, 1789; Back River, after Sir George Back, 1819; Dease Strait, after Capt. Dease, 1837-9; Parry Sound and Islands, after Sir Edward Parry, 1818; Franklin Bay and district, after Sir John Franklin, 1818; McLeod River and Fort, after John McLeod, 1822-26; Boothia, after Sir Felix Boothia, 1829; McClintock Channel, after Sir Francis L. McClintock, 1848-54; Rae Isthmus, after Dr. John Rae, 1846.

The Fathers of Confederation are well represented in Taché, Macdonald, McDougall, Brown, Campbell, Mowat, Langevin, Tupper, Tilley,



Johnston and Chapais. There are yet several of the names of the Fathers unappropriated and open to the Railway companies and the Post Office Department. Other names have been suggested by the prominence of pioneer settlers whose energy and perseverance have been rewarded after long years of toil by the settlement gradually obtaining sufficient population to be entitled to a name, and thus we have Smithville, Nutt's Corners and all that class of place-names.

The Post Office list for 1896 contains hundreds of place-names which have been given in honour of the first appointed Postmaster. There are over 500 post offices in Canada whose names have come from the Postmasters and Postmistresses actually in charge. Thus Adamsville in North Bruce has for its Postmaster, Samuel Adams; Adamsville in Brome has for its Postmaster, George A. Adams; Albertine in Victoria Co., N.B., has a Postmistress in Mrs. F. Albert; Ashdown, Ashworth, Asseltine, Babington, Beaton, Beckstead, Blackwood, Bryerton, Burtch, Colbeck, Durland, Daigle, Edginton, Fairley, Finlayson, Freeborn, Garnham, Underhill and Wilson Croft are all, with scores and hundreds more that might be given, names applied because the Postmaster's name was the handiest, and local custom had given the name to the locality before the Post Office authorities designated it a Post Office.

Ivy Lea suggests a retreat where ivy grows in abundance. It is really an adaptation of the Postmaster's name, Ivey, whose Christian name is John. Flowers' Cove has an odour of roses and heliotrope and that sort of thing about it; Mrs. Mary Flowers is the Postmistress and the family name is really all that suggested the name of the Post Office. Kilburn suggests a Scotch burn where murder was wrought. It really comes from the Kilburn family, Benjamin of that ilk being the present Postmaster. Libbyton has a flavour of Libby prison about it and transports one to the Southern war of thirty-five years ago, but Charles W. Libby, the Postmaster, or his immediate forebears, are responsible for the place-name; Long Settlement has a hint in it of a long, straggling place, but as J. C. Long is Postmaster it is not a great stretch of imagination to suppose that the long and short of it is that the Longs gave their name to the place. McAllister has nothing to do

with the immortal McAllister and New York's 400, Walter McAllister, the Postmaster, knowing better than that. Pelissier is not a corruption of the name of the famous traveller nor has it anything to do with Capt. Palliser's cold canon balls, nor yet was it given by some enthusiastic Bonapartist to commemorate Marshal Pelissier and the Crimean War, and the Anglo-French alliance of the "fifties." It simply tells that Clotilde Pelissier in Wakefield, Wright Co., the Postmaster occupied a somewhat prominent place, possibly had a central business store and in all likelihood was a good Tory. Riviere des Plantes is not a river or place-on a river noted for its exuberant vegetation as one might imagine from its name. It is really the River of the Plantes, a representative of which family—to wit George Plant—is Postmaster. McCarthy suggests Justin, or D'Alton, but you would be away out if you thought either of these Irishmen had their memories perpetuated in this place-name of Canada. One Samuel McCarthy is the Postmaster. Marchbanks is not the correct spelling but is the correct pronunciation of Lady Aberdeen's family name, as one might think it to be on hearing it mentioned, but it is named after the Postmaster, A. W. Marchbanks. Littlewood has in it a hint of an umbrageous retreat of narrow dimensions or stunted growth, a descriptive place-name in fact. It is descriptive but not of any feature of the landscape. It is the family name of James Littlewood, the master of Her Majesty's Post in a particular part of the electoral district of Shelburne and Queen's, N.S. Singleton brings up, by association of ideas, the very reprehensible act of some whist players, leading from a singleton, but it has no such origin as a possible dispute on the spot about the proper leads of whist. Its sponsor is William T. Singleton, who gives out and receives the letters and papers of Her Majesty's liege subjects in that part of the South Riding of Leeds where the Singletons flourish. Underhill might call up the picture of a snug little village, sheltered from fierce winds of winter and fierce heats of summer by an overhanging bluff. But if it did it would not be because of the situation, for the name comes by derivation from the Underhill family, one of whose scions is Postmaster.

Taking the 11th heading "Physical character-

istics as a source of place-name."—I may expand somewhat on this prolific spring. Speaking generally these names of places are derived from words denoting, first, *relative magnitude*, as Lakes Winnipeg and Winnipegosis, respectively, the great and little "dirty water." There are in the Post Office list twenty-four "Bigs," of which seventeen are in Cape Breton, fifty "Littles," as Little Lake, fourteen "Petits," and "Petites," twenty-one "Longs," as Long Lake, Long Reach, and several "Shorts," as Short Beach. There are forty-four "Grands,"—Grand Pre, Grand View.

Second. *Relative position*.—East, West, North, and South. There are sixty "Easts;" as East Dover, East Mountain, East Side of Ragged Islands; one hundred and one "Norths," as is quite natural in a country where settlement began so largely in the south and worked northward: eighty-eight "Souths," and ninety-four "Wests." The Eastern Townships are so named because the British Government after the cession of this country surveyed the then wilderness lands of what is now Ontario, and divided them into *townships* in accordance with a plan adopted by the United States. When the great region between the St. Lawrence, below Montreal, and the boundary line was opened up, the original intention was to settle it with persons of British origin, and a similar system of surveys being adopted, the region on that account became known as the Eastern Townships in contradistinction to the western or those higher up the St. Lawrence, where the British from the revolted States found a home. From the same reason of relative position we have "Lower," "Upper," and "Middle," a term confined chiefly to the Maritime Provinces, for of the ninety-six "Uppers" in Canada, eighty-eight are found there, forty-two being in New Brunswick, and forty-six in Nova Scotia; while of seventy-five "Lowers," seventy are found in the Maritime Provinces, twenty-seven being in New Brunswick, and forty-three in Nova Scotia. Thus there were Upper, Lower, and Middle Musquodoboit in Halifax County.

Third. *Relative age*, indicated by the word "New,"—New Brunswick, New Germany, New Westminster, New France, the latter word officially used to designate Canada under the French regime.

Fourth. *Numerals*, as Seven Oaks, Eight Island Lake, Nine Mile River, Two Rivers, Three Rivers. One Hundred and Fifty Mile House is the name of one of the post offices in British Columbia.

Fifth. *Natural productions*, as Basin Minas, "the Bay of Springs." These may be divided into (a) *Minerals*.—Garnet, Emerald, Gold River, Irondale, Jasper, Marble Rock, Moonstone, Oil Springs. (b) *Woods, etc.*—Ash, Oak Bank, Aspen, Willow Bunch, Balsam Bay, Beech Ridge, Cedar Dale, Cypress River, Birch Grove, Box Grove, Poplar Grove, Broom Hill, Bush Glen, Spruce Lake, Elm Croft, Elm Tree, Bois Franc, Forest Glade, and Glen, and Hill, Hazel Cliffe, Clover Bar, Corn Hill, Pumpkin Plains, Juniper Island, Hemlock, Lily Lake and Rose, and Roseberry. (c) *Animals*.—Herring Cove, Horse Fly (in B.C.), Moose River, and Jaw, Bear Cove, Owl's Head, Wolf Cove, Pigeon Lake, Beaver Bank and Beaver Dam, Salmon River, Sea Cow Head, Crow's Lake, Bird's Hill, Deer Lake, Seal Cove, Shad Bay, Duck Lake, Cariboo, Eagle, Raven's Glen, Eagle's Nest, Eel Cove, Egg Island, Fox Bay, Goose River, Gull Cove, Hamtown, Pike Bay, Heron Bay, and Red Deer. (d) *Fruits*.—Berry Hill, Cherry Grove, Cherry Vale, Apple River and Island, Gooseberry, Plum Hollow.

Sixth. *Excellence or the reverse*.—Pessimism did not rule the minds and hearts of those who selected such place-names as Pleasant Vale, Pleasant Bay, Pleasant Home, Welcome Pass, Fair Valley, Fair View, Garden of Eden, Paradise, Glen Uig (pleasant glen). Of "pleasants" there are fifteen in English, and the French, not to be outdone, have "beaus" and "belles" to the number of sixteen, as Beaumont, Beaupre, Beaubien. Point Comfort, in Quebec, suggests pleasant experiences. Danger Cape expresses the reverse of pleasant. Cape Desolation has a world of disappointment in it. We have not an Anxiety Bay as they have in the sister colony of Australia, but we have a Repulse Bay and a Fury Strait.

Seventh. *Colours*.—Black, twenty of them, as Black Ban., Black Brook. Blue, eight,—Blue Bonnets, Blue Rock. White, thirty-two,—White Rose, White Heads, White Sands, etc. Then there are Emerald Hill, Green Bush, Green Hill,

Purple Hill, Red Bay, Red Wing, Violet, Red Isle.

Eighth. *Configuration*.—Quebec, "the strait or narrow passage"; Detroit (once a part of Canada), "the narrows"; Point, forty of them, as Pointe Claire, Point aux Anglais—about half of them in the Province of Quebec. Of Glens there are ninety-six; of Mounts, sixty,—Mount Horeb, Mount Hope, Mount Uniacke; of "lac" and "lake" there are sixty-seven. In the same category may be placed the rivers and rivières, of which the post office list gives sixty-five, as River Dennis, Rivière Bois Claire, and Rivière du Loup, etc.; and the Ports, of which the list gives eighty-five; and the bays and baies, which number thirty.

Many names were given by the aborigines, translated into French by the French voyageurs, and into English by the English-speaking people who followed the French. Thus Lac Traverse, so named by the French as being *à travers*, or athwart the river, is now known as Cross Lake. Lac Vaseux bears the translated name of Muddy Lake. Grand Remous is called Big Eddy. Lac Orignal is Moose Lake. La Fouché des Gros Ventres, from the Indian tribe found there, is translated Big Belly Forks. LeCoude is the Elbow. In some cases the Indian name has been translated by the French and the French name has held the fort, thus Rivières des Canards, now Canard River, in Nova Scotia, is French for Duck River, and is the translation of the Micmac word, meaning "great place for ducks," and though there has not been a Frenchman there since Governor Lawrence's order for their dispersion, in 1755, was carried out, nor a duck for a century, still the name holds its grip.

The Cree word Catabuysépu, means "the river that calls," the Indians believing that the river was haunted by a spirit, whose voice was often heard wailing at night. The French named the river and its valley Qu'Appelle and Qu'Appelle it remains to this day—the "calling river." Some place-names there are which suggest grotesque humour. Bobby Guzzle is the name of a railway station in New Brunswick. Others suggest a cynical spirit, as *Lachine*, the name given, no doubt derisively, to La Salle's seigneurie owing to his failure to discover in that direction the passage to China.

Sometimes the place-names have been given from some haphazard remark. There was an old apple-woman in the Parliamentary buildings in Quebec, devoted to the administrative work of the province in pre-confederation days. The Civil Service clerks with reminiscences of heathen mythology floating about their brains had christened her in due form and with becoming ceremony, *Pomona*, after the goddess of fruit trees, not because she carried the fruit in her bosom and waved a pruning knife, but because she was associated in their minds with that most luscious of fruits—the Canadian apple. On one occasion the naming of a post office came before the Department, and Mr. W. D. LeSueur, then, as now, one of the officials, said, as he and a fellow-official passed Pomona's apple stand, "why not name the place *Pomona*?" The suggestion was acted on, and Pomona in the County of Grey (Ontario), perpetuates the memory of the old apple-woman of Quebec, rather than that of the Goddess of fruit trees.

In the newer portions of the country we have other influences at work in place-naming. The various immigrations have contributed their quota. Thus Baldur in Manitoba tells its own tale. It steps into this new world out of the Norse Sagas, in which Baldur, son of Oden and Freya, figures as the God of summer sunlight. Hecla, Geyser, and Husavick, also in Manitoba, are monuments of the Icelandic emigration. The liking for old world names with such distinguishing marks as will prevent confusion in the Post Office Department is seen in the fact that there are in Canada about one hundred place-names with the prefix "New"—New Brunswick, New Westminster, New Glasgow, New Canaan, New Edinburgh, New Jerusalem, New Ontario, etc. The concentrated essence of newness as expressed in place-names is found in Lunenburg County, N. S., in which one of the divisions is named New Dublin, and among the sub-divisions of New Dublin are, New Canada, New Italy, New Germany, New Cornwall, New Cumberland and so on.

The reading of the people expresses itself in other names; Oberon reminds one of Shakespeare's Fairy King; Lenore tells of Poe's heroine; Lothaire, of Disraeli's hero; Pendennis, of Thackeray's gentleman. Warrington may also come

from Thackeray's novel. Dante, in Bothwell, suggests the great Italian poet, and Lucille recalls Lord Lytton's poem. It is hard to tell what spirit, if not that of mischief, suggested the names of Flos, Tiny, and Tay, in Simcoe County, since these were the names of three poodle dogs belonging to Governor Colborne's wife. Mongolia, in East York, was named after a dog owned by Cunningham Stewart, of the Post Office Savings Branch.

In some place-names are embalmed frustrated hopes and disappointed ambitions. Thus London was so named by Governor Simcoe in connection with a grand scheme he had evolved and communicated in 1791 to Sir Joseph Banks, President of the Royal Society—after whom "Banks' Land," in the very centre of the kingdom of "Our Ladye of the Snows" (in the Arctic circle), was named. The Governor to the President wrote: "For the purposes of commerce, union, and power I propose that the site of the colony should be in that great peninsula between Lakes Huron, Erie, and Ontario—a spot destined by nature sooner or later, to govern the interior world. I mean to establish a capital in the very heart of the country, upon the River La Tranche. This capital I mean to call Georgina." From his purpose he never swerved. He changed the proposed name to London. He proclaimed the River La Tranche to be, from July 16th, 1792, the *Thames*. In 1793 he made a journey, partly in sleighs, but chiefly on foot, and when he reached the forks of the Thames, he spent a day there. Littlehales (afterwards Sir E. B.) was the diarist, and he writes: "The Governor judged it to be a situation eminently calculated for the metropolis of Canada. Among many other essentials it possesses the following advantages: command of territory, internal situation, central position, facility of water communication up and down the Thames into Lakes St. Clair, Erie, Huron, and Superior, etc." The Governor's correspondence contains frequent reference to his plans for establishing the capital of Upper Canada at the upper forks of the Thames, to be called Georgina, London, or New London, and maintained the wisdom of his plans down to his departure in 1796. But in spite of gubernatorial purposes, despite all his plans for making the new London to Upper Canada what the old

London was to the British Isles, the best he could do was to duplicate the place-names of the Thames, of London, Middlesex, and other surroundings and adornments of old London in the heart of the Canadian forest. Governor-General Lord Dorchester was too strong for Lieutenant-Governor Simcoe.

Some place-names have had a hard struggle before the form and spelling have become finally settled. Mr. Sulte tells that he has found fifteen different ways of spelling the name of the explorer Verendrye. Winnipeg has had nearly as varied a career. "In Canadian Geography it has settled into the form *Winnipeg*, after long fluctuations in many different shapes from such as the early French Ounipigon through Winnipegon, Winepegon." Mr. Bell in the "Transactions of the Manitoba Historical and Scientific Society, 1885, gives:

Ouinipigon.....	Verendrye.....	1734
Ouinipeque.....	Dobbs.....	1743
Onipignon.....	Gallissoniere.....	1750
Ouinipeg.....	Bougainville.....	1750
Ouinipique.....	French map.....	1776
Winnipeek.....	Carver.....	1768
Winnipeg.....	Henry.....	1775
Winnipeg.....	Ross Cox.....	1817
Winnipeg.....	School Craft.....	1820
Winnipeck.....	Keating.....	1823
Winipeg.....	Beltrami.....	1823
Winnipeg.....	Back.....	1833

Saskatchewan is another word that had a similar struggle before securing a universally recognized form. It has been spelled,

Kisiskatchewan,	Saskutchewin,
Kisiscachiwin,	Saskowjawn,
Sisiscatchewan,	Saskaugewun,
Saskawjawn,	Kejeechewon,

and the present recognized form differs from all these. It is therefore apparent that the sources of our place-names are very numerous. In fact they range from the Archangel Michael through apostles and prophets, sovereigns and saints, warriors and scientists, civil administrators and explorers, Indian vocabularies, and French, English, Scotch, Irish repertoires of place-names, down to—poodle dogs. The subject is capable of almost indefinite expansion, but sufficient has been said to give a general idea of the sources from which have

come the place-names of Canada. The task of preparing a complete list of these names would involve much study of old books and documents, much inquiry of the oldest inhabitants, and much sifting of evidence, especially in respect to the names of prominent men in connection with which latter task one instance may be given. Governor Simcoe, the first Governor of Upper Canada, one

would naturally suppose gave his own name to the Lake and County of Simcoe. Research shows that the lake was named out of respect to Capt. Simcoe of the Royal Navy, who died on the St. Lawrence in the expedition against Quebec, in 1759, and after that the extension of the name to the County was quite natural. So with very many other historic names,



George Johnson.

## THE INDIANS OF CANADA

BY

THE EDITOR

**T**HERE has been no figure in all history so picturesque and peculiar as that of the North American Indian. The storm-tossed life of the various nations or tribes; the concentrated cruelty of individual character, combined with loyalty and honour in tribal relations; the constant and bloody struggles between each national unit and the prolonged conflict with the white invaders of a continent; the complexity of the savage temperament in its mingled simplicity and guile, its courage and endurance, its treachery towards foes and cruelty in war, its pride and prudence combined with periods of insane recklessness and a humility akin to that of a beggar, its self-restraint and moments of unbridled rage, its strange conjunction of greatness and littleness; stamps the American aborigine as the most extraordinary product of the vast wilderness and forest home of his wandering race.

History has yet to do him justice. The pen of the poet, the voice of the preacher, or the thought of the philosopher, seem alike unfitted to cope with his difficult environment and curious character. Cold and hard, passionate and revengeful, ignorant and superstitious, keen and quick in thought, he has yet never in pre-civilization days been guilty of the effeminate and meaner vices which destroyed peoples such as the Roman or the Aztec. Love of liberty in its wilder forms, and contempt for all arbitrary rule or personal control, he carried to an extreme greater than can be elsewhere paralleled. Sleepless suspicion of others was a part of his surroundings of war and treachery. Like the Italian he preferred to send a secret blow, or despatch the shaft of an ambushed arrow, to open fighting or public revenge. Like the Spaniard he was dark and sinister in his punishments and retaliations. Like nearly all savage races his warfare was one of sudden

and secret surprise, ruthless and unhesitating slaughter. A native of the wilds, a product of primeval conditions, he could not change his character without deterioration, or his mode of life without physical and mental injury. Civilization, indeed, has destroyed the Indian. In curbing his wilder passions it has usually developed the meaner ones, and in destroying the environment which made him the barbarous yet noble owner of a boundless continent it has cramped his intellectual acuteness, dulled his powers of perception, starved his wonderful physical qualities, and fatally affected the peculiar morality which he undoubtedly possessed. Christianity and agricultural pursuits may fit the survivors for life amidst new conditions, but the result of this development is no more the Indian of past centuries than the Greek of to-day is the true heir of Leonidas at Thermopylæ or the modern native of Rome the just inheritor of Imperial valour.

When the first discoverers and explorers found their way amidst the wilds of Canada, they came into collision with various Indian nations. The great family of the Algonquins extended right up through the centre of the continent. They formed the chief central race of early Canada, and reached in scattered masses from the Atlantic to Lake Winnipeg and from the Carolinas to Hudson's Bay. Cartier met them when he ascended the St. Lawrence, the early English settlers encountered them along the coasts of Virginia, the people of New England fought them under the King Philip of historic memory. William Penn made peace with them under the trees of the Keystone State, and the French Jesuits and fur traders found the same race in the valley of the Ohio, on the shores of Lake Superior, and at the rapids of Sault Ste. Marie.

Of this race were the Delawares and the



JOSEPH BRANT—THAYENDANEGEA.





Shawnees. The latter were a strange and wandering people, whose location it was always difficult to fix, but who are known to have more than once come into conflict with the French. They eventually settled on Canadian soil and played a brief but important part under the great Tecumseh. The former were at one time conquered by the Iroquois and compelled to bear the opprobrious Indian name of *women*, but in one of the French and English wars they recovered at once their courage and their position by espousing the side of the French. Other branches dwelt along the Canadian shores of the Atlantic and in the wastes north of Lakes Michigan, Superior and Huron. The latter tribes included the Ojibways, Pottawatamies and Ottawas, who at one time formed a sort of loose union and offered a yielding but efficient check to the course of Iroquois conquest. In this region also were the Sacs, the Foxes, and other smaller divisions of the Algonquin race. Other branches in Nova Scotia were known as the Micmacs, in western New Brunswick as the Etchemins, in Quebec as the Montagnais, and in the far North as the Nipissings.

The Iroquois stretched across what afterwards became the State of New York into Ontario and Quebec, and included the Mohawks, Oneidas, Onondagas, Cayugas and Senecas. Though united in a sort of loose confederacy and by a system of clanship, they seem to have had no clearly defined and continuous ruler, but to have trusted their joint affairs to the central council at Onondaga. And though numbering only about four thousand warriors in their day of greatest power, they were able to make the name of the Five Nations a word of terror to all the tribes from Quebec to the Carolinas and from the far West to the Atlantic shores. To the French and the American Colonists they were a continuous source of dread, and to the English forces in Canada at a later period they became an arm of military strength a little difficult to define in degree.

A people not inferior in courage but not nearly so aggressive in character as the Iroquois were the Hurons, whose name is so well known through their intercourse with the brave French Jesuit priests. Their population is estimated by Park-

man as having been about 10,000 souls, though other writers place the number at double that figure. In the superior nature of their dwelling houses, in their manners and customs and superstitions, they closely resembled the Iroquois. They met destruction at the ruthless hands of the great confederacy, and after 1680 disappear from view, except in a few isolated settlements under French protection. The Neutral nation, living along the north shore of Lake Erie and remaining for a long period neutral between the Hurons and the Five Nations; the Andastes, dwelling in fortified villages in the valley of the Susquehanna; the Eries, living in the vicinity of the lake which bears their name; were all of kin to the Iroquois and were all conquered and practically destroyed in time by that most powerful of the savage nations of North America. Then followed the conquest of the Delawares, or Lenapes, and the expulsion of the Ottawas from the vicinity of the great river which now runs by the Capital of Canada and onward through the towns and villages of a peaceful civilization. In 1715 the Iroquois were strengthened by the admission of the Tuscaroras, a warlike people of admitted kinship, to the confederacy as a sixth nation.

These confederated peoples seem to have been at once the best and the worst of all the Indian nations. Their pride was intense and overmastering, their lust of conquest was individually and personally as strong as that of an Alexander or Napoleon, their savage passions and cruelties were vented to an indescribable degree upon their enemies. Yet in courage, constancy, and concentrated energy it would be difficult to find their equal amongst the savage races of the world. As with most Indians, though in perhaps greater degree, where they inflicted pain they were ready to endure it, and the cruelties perpetrated upon their miserable captives were those which they would themselves receive without murmuring in the event of defeat.

The original population of these various tribes and races and nations of kindred origin, can, of course, only be estimated. Garneau, in his History of French Canada, puts the Algonquin total at 90,000 souls, the Hurons and Iroquois together at about 17,000, the Mobiles of the far south at 50,000, and the Cherokees, of what

is now the centre of the United States, at 12,000. His total is 180,000 for the greater part of the continent, and in view of the constant condition of warfare in which they were involved, and the statements of travellers like Cartier, Joliette, Marquette, De la Jonquière, etc., it is probable the estimate is not too small. Even as it is, however, the fact of the dominating power of a few thousand Iroquois during so many years illustrates the romantic possibilities of conquest amongst savages as well as civilized peoples.

In conduct it should be remembered the early Indian was kind and hospitable to the exploring European. The Jesuit and Recollet missionaries bear testimony in many cases to this fact. Hakluyt in his account of Cartier's first visit to Hochelaga (1535) says that "the Indians brought us great store of fish and of bread made of millet, casting them into our boats so thick that you would have thought it to fall from Heaven." In Turnbull's work upon Connecticut we are told that the Indians at the first settlement of the English performed many acts of kindness towards them. "They instructed them in the manner of planting and dressing the Indian corn . . . and by selling them corn when pinched with famine they relieved their distress, and prevented them from perishing in a strange land." This is an exceptional American tribute, and deserves consideration. So with regard to the first landing of nearly all the explorers and early travellers upon this continent we find a kindness of treatment which made Cartier no exception to what was rather a general rule. Deceit or indignity from visitors met swift resentment and revenge, but otherwise they were usually sure of good treatment. The special ability of the Iroquois has met with distinct modern recognition, and has forced it even from their enemies, the Americans. The Hon. Cadwallader Colden, of New York, in his well-known historical work of over a century ago, says:

"Each of these nations is an absolute republic in itself. . . . The authority of the rulers is gained by and consists wholly in the opinion the rest of the nation have of their wisdom and integrity. They never execute their resolutions by force upon any of their people. Honour and esteem are their principal rewards, as shame and being despised are their punishments. . . . Their

great men, both sachems and captains, are generally poorer than the common people, for they affect to give away and distribute all the presents and plunder they get in their treaties or in war, so as to have nothing for themselves. There is not a man in the ministry of the Five Nations who has gained his office otherwise than by merit, and there is not the least salary or any sort of profit annexed to any office to tempt the covetous or sordid, but on the contrary every unworthy action is attended with the forfeiture of their commission, for their authority is only the esteem of the people, and closes the moment that esteem is lost. Here we see the natural origin of all power and authority amongst a free people."

Indian appearance, customs, and beliefs have been often described and with most varying degrees of accuracy or the reverse. The fact is that changing conditions brought about frequent changes in manners and appearance. The Huron or Wyandot in days when he was a successful rival of the Iroquois could hardly be recognized in the fearful and unaggressive convert of the missionaries during the years of his final massacre and disappearance. The Delawares in their period of active life and power were not the same people as the subject slaves of the Iroquois, nor were the latter in their earlier times of peace and trade like the fiery savages whose conquering war-whoop became a signal of death from the great lakes to the Mississippi.

The Indian races were emphatically the product of nature, however, and amongst them all were similarities which stamped them as of the same origin and as possible descendants of migrating Tartars from the Steppes of Central Asia. They were as a rule tall and slender and agile in form, with faces bronzed by sun and rain and winds. Their expression was stern and sombre, seldom or never marked with a smile. Their heads had high cheek-bones, small, sunken, and keenly flashing eyes, narrow foreheads, thick lips, somewhat flat noses and coarse hair. The senses of sight, and sound, and feeling were developed into a sort of forest instinct which seemed almost supernatural to the first white settlers and finds most vivid expression in Fenimore Cooper's wonderful romances.

Their costumes of deer-skin and moccasins, their necklaces of wampum, beads, or shells, their ornaments of feathers and claws and scalps are

well known, as is the vermilion paint with which they delighted to daub their faces and bodies. The only weapons they possessed before the Europeans came were the arrow and the tomahawk. Hunting or fishing was their occupation, war their pastime. Both these pursuits made permanence of dwelling very difficult and involved naturally a life of ceaseless wandering—one indeed which made them the Arabs of the American wilderness. Their religion was always a peculiarly mixed quantity. Champlain states that the Micmacs had neither devotional ideas nor ceremonies. Other tribes assured him that each man had his own god whom he worshipped in silence and secretness. They seem, however, to have all worshipped something, whether the spirit of good, the spirit of evil, the spirit of storm, the god of war, the spirit of the mountains, or a spirit of the waters—lake, or sea, or river.

Sacrifices were not uncommon, and Father Jogues is authority for having seen at least one human sacrifice amongst the Iroquois. How far they really worshipped one Great Spirit is a matter of some uncertainty and it has been claimed that the early missionaries rather suggested to their minds an idea which they were quick to absorb through the questions and answers naturally given. However that may be, there can be no doubt of their intense belief in spiritual manifestations and interventions. They peopled the very air with friendly or hostile spirits and created amongst themselves those powerful manipulators of superstition—the medicine men—to control the surrounding demons of storm and famine, and disease and death. To the same men were given the care of the sick, and, mixed up with much that was harmful, there were no doubt many simple remedies used amidst the mass of incantations and superstitious mummary.

Dreams they put great faith in, and oratory was almost as much a factor in success as bravery. But the chief and all important customs of the Indians turned upon war and its occasionally brief concomitant, peace. A struggle between two tribes or nations could be brought on by the most trivial cause, or by almost any ambitious and restless individual. When determined upon, it became the source of uncontrollable joy,

of wild dances, of eloquent harangues, of multitudinous prayers and sacrifices, of feasts, and endless bravado and boasting. Then followed silence and secret departure on the expedition, and a long patient waiting for the return. Perhaps the warriors never came back, but if they did, and brought a prisoner with them, the welcoming din of shouts, and shrieks, and tom-toms presented a perfect pandemonium of sound. Then followed the frightful and indescribable torture of the captive, modified if he were of low degree or ordinary position, but always borne with a stoical endurance not excelled by the Protestant victims of the Inquisition, the Jesuit missionaries to the Hurons, or the southern victims of the Spaniard.

In the wars between the French and English and Americans, which devastated parts of North America during nearly three hundred years, the Indians exercised a large influence, and had they been united might more than once have expelled the white invader altogether. Roughly speaking the Algonquins and Hurons stood by the French, the Iroquois and some minor nations by the English. When the Five Nations had beaten the Algonquins and destroyed the Hurons, they turned their attention to the French, and several times brought the settlements on the St. Lawrence to the very verge of destruction. After the supremacy of England seemed finally established there existed for some years a sort of brooding stillness which might well have boded trouble. The New England colonists had never treated the Indians upon their borders well, and the result had been a long series of reprisals and wasting war. Greedy traders and unscrupulous speculators in land had robbed the Indians of their intellect by brandy, and of large tracts of land by fraud. The American Colonies, indeed, claimed the whole soil, and without British permission, though in the King's name, made frequent and large grants of Indian territory and then seemed surprised when the tomahawk and scalping knife were used in response by the untutored savage.

Finally, land regulations were made by the Home Government which to some extent stopped this sort of lawlessness, and were respected in Canada, though more or less disregarded in the Thirteen Colonies as the spirit of local revolt developed. Sir William Johnson, of the Mohawk

Valley, in New York, was appointed Superintendent General of Indian Affairs, and he did his best to enforce these regulations. Indirectly they were one great cause of the subsequent rebellion through the dissatisfaction created amongst masses of traders and border settlers. After the Revolution, it may be said here, they were repealed, and the course of unwise oppression entered upon which has made the modern history of the Indian a standing reproach to the United States and a blood-red blot upon its annals. In Canada they were maintained.

Meantime, the trouble already hinted at silently developed, and in 1763 what is known as the Conspiracy of Pontiac set the whole frontier in a blaze of flame-lit villages. This great savage stands out with Tecumseh and Thayendanegea upon the pages of American history as illustrating the possibilities of his race, though, unfortunately, his intellect was directed very differently from that of the other two chiefs. Though only a chieftain of the Ottawas, he had succeeded in extending a sort of personal influence over the Sacs, the Pottawatamies, the Ojibiwamies, the remainder of the Hurons, the Delawares, the Shawnees, and had even detached the Senecas from the Six Nations. His power reached from the Ottawa River down to the far frontiers of Virginia. He had accepted the sovereignty of the English at first, but speedily saw that the victory of Wolfe had rung the death-knell of Indian influence in America.

His people were no longer the balance of power between rival nations of white men, and he saw a vision of the united white race of Englishmen extending over the whole continent and driving before them the one-time rulers of the forest and prairie. There is little doubt too that the haughty chieftain was not treated with the respect and conciliation which was his due. Gifts and compliments were no longer showered upon him, and his consequence seems to have become suddenly shrivelled up. The result was a scheme to unite all the Indians, to surprise and massacre the English by wholesale, and drive them into the sea. The conspiracy was well planned. On the day arranged, Pontiac just failed to capture Detroit through the plot being revealed by a squaw. Michilimackinac, Sandusky, Presqu' Isle

and other places were captured and destroyed, while Detroit itself was closely besieged and a relief party from Niagara surprised and cut to pieces. The borders of Pennsylvania, Maryland, and Virginia were the scenes of slaughter and untold suffering. For three years the war continued, and then at last Sir William Johnson obtained the submission of Pontiac, and with it peace upon the frontiers. Two years later the great chieftain was killed in some trivial quarrel with another Indian—probably by treachery.

When the Thirteen Colonies plunged into revolution it was natural that the bulk of the Indians should stand by Great Britain. Those who did not take an active part with the Iroquois stood aloof—with the exception of the Oneidas and Tuscaroras—and refused all the efforts of Congress to obtain their co-operation. The result is a bitterness traceable through many American histories of the period; a hatred wreaked at the time upon the unfortunate Mohawk residents of the peaceful, beautiful, and highly cultivated valley which bore their name; a prejudice which has had its effect upon all the subsequent national treatment of the race; a misrepresentation which in this war and in that of 1812 denounces every form of cruelty upon the Indian allies of England. Aside from these greater wars, however, the English Colonies had just cause to fear the Indians. The sweeping plot disclosed by Pocahontas in 1609; the struggle of eight years when the settlers from Naragansett to Penobscot were swept away by pestilence and the savages combined; the massacre of 347 Virginians by the Indians in 1622; the Connecticut war with the Pequot tribes fifteen years later; the second raid into Virginia in 1644; the New England war with King Philip in 1675-6, when the chief was ultimately killed and his tribe destroyed; the eight years, or King William's war, of 1689-97; the death of 137 people at Roanoke at the hands of the Tuscaroras in 1712, and the driving of this nation out of North Carolina after three years of war; were incidents of struggle which provoked naturally hostile recollections. How far the troubles themselves were caused by wanton Colonial aggression or dictatorial conduct it is not necessary here to discuss. They form pages of Indian

annals which have not yet been written except by the historic and natural enemies of the Indians themselves.

Two events connected with the War of the Revolution should, however, be referred to. One is the massacre of Wyoming, to which Campbell has given as poetical and inaccurate a colouring as Longfellow did to the expulsion of the Acadians. In 1778 this little town, which was filled with supporters of Congress, was attacked by a force of Loyalists and Indians sent from Niagara under Colonel Butler of the Rangers, and a number were killed. Hence the designation of massacre for an attack which averted one from the enemy upon Niagara itself. The expedition was carried out with little regard to considerations of mercy towards armed opponents, and so far it may be condemned.

But the second instance was a far worse illustration of merciless warfare. The Continental leaders had determined to seek vengeance upon the Six Nations for their support of the British, and in 1779 a force of 6,000 men under General Sullivan was sent to destroy the villages, crops, and means of subsistence of the Indian inhabitants—mainly women and children—of the Mohawk valley. Eighteen villages were accordingly devastated, and a smiling, fruitful region reduced to a wilderness.

At the close of the Revolutionary War the Iroquois were given large grants of land, and under the guidance of Joseph Brant—Thayendanegea—the brilliant chief who had led them throughout the contest, they settled in various parts of the new Province of Upper Canada. In 1812 many served again under the British flag, while other nations and tribes were brought together by the genius and influence of Tecumseh—a leader worthy of being associated with Sir Isaac Brock, and one who fills a page of high martial deeds in Canadian history. Since then the Indians of Canada, with the exception of a very few who were led astray by Louis Riel in the North-West troubles of 1885, have lived at peace with themselves and the white man, and have been trying to accustom themselves to a life of monotonous civilization, and, to them, somewhat degrading labour. Very different has it been in the United States. The increasing power and population of

the Republic was amply sufficient to overcome the natural Indian turbulence of character, had only justice marked American treatment of their claims and peculiar position. But the unfortunate Indian was driven from pillar to post, from one treaty to another, from surrender to surrender, from the rapacious control of one set of agents to those of a still worse lot, from reserve to reserve, until at last, in sheer desperation, he would turn like a tiger upon his prey and rend the nearest victims of his savage passion. In 1790 there were Indian wars in Ohio and Indiana. In 1811, during a war with the Shawnees in Indiana, General Harrison won his famous victory of Tippecanoe. The following year saw a fierce and merciless conflict with the Creeks of Tennessee. In 1817-18 occurred the first Seminole war in Florida, a ruthless struggle on both sides, though with the Indians it was a desperate effort to retain their soil from the steady pressure of the advancing host of settlers. From 1835 to 1842 the second and last Seminole war raged. In 1869 there were troubles with the Arapahoes, in 1870 with the Indians of Texas, in 1871 with the Sioux in Dakota, and a little later with the Apaches in Arizona. The so-called Custer massacre—a straight fight between Indians and United States troops in which the latter were worsted—and many subsequent little wars with the Sioux under Sitting Bull, and other northern and western tribes, marked the closing years of this civilized century.

Altogether the history of the Indian is a melancholy one. Nature cast him in a noble mould and gave him at first a vast and splendid environment. That he was ignorant of his opportunities and became subservient to the passions of pride and cruelty was his misfortune though, perhaps, not altogether his fault. Compared with the greater knowledge, the gentler faith, the more cultured surroundings, the kindlier home life of the white man, his chances were, after all, very little and his faults not colossal. The Christian Spaniard with his brilliant and advanced civilization was more inherently and remorselessly cruel than ever was the Indian of the American wilds. The Italian bravo was as stealthy and treacherous as ever was an Indian brave. The Puritan New-Englanders who burned witches to death, the Englishmen who guided the fires of Smithfield,

the rulers who executed the decrees of Titus Oates, the woman who directed the massacre of St. Bartholomew, the Russians who used to flay their prisoners alive, the Turks who have filled the pages of history with nameless atrocities, all had advantages and powers and privileges which the wandering and ignorant Indian never possessed or dreamed of.

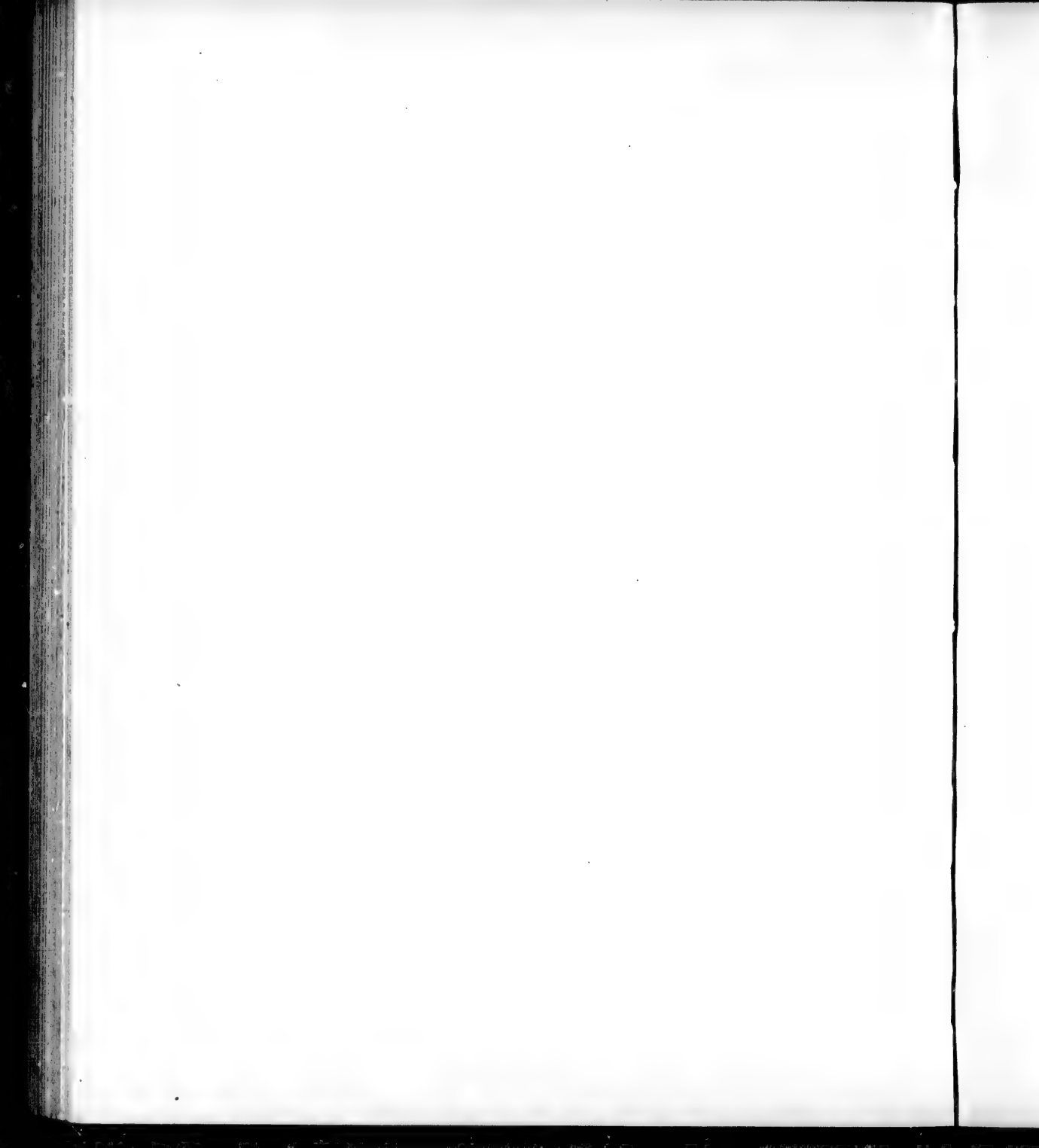
But his career as a nomadic race of free-born savages is closed. It is an extraordinary page in

history and one which Canadians upon the whole have little to regret in their contemplation of. The Indian has always been faithful to those who have been true to him, true to their individual engagements, true to their national pledges. To the British Crown and the Canadian Provinces he has in the past century been friendly and this fact speaks abundantly for itself, for the credit of the flag of England, and for the honour of the Dominion of Canada.





CANADIAN SCENERY—THE GRAND RIVER.



## THE ORGANIZATION OF THE IROQUOIS

BY

MISS E. PAULINE JOHNSON (Tckahionwake).

WHEN the Iroquois first settled in Canada after their long and stormy battle for Britain, and loyal adherence to her flag through the American war of independence, they were a wealthy people so far as real estate was concerned. At that time the Imperial grant to the Six Nations comprised the territory lying within six miles on either side of the Grand River from its source to its mouth, a tract that embraced the larger portion of the present counties of Wellington, Waterloo, Brant, and Haldimand.

That was more than a century ago, and to-day all the land that these Indians can call their own is the little corner situated along the boundary of the last two named counties, and known as the Grand River Reserve, consisting of fifty-three thousand acres of uninteresting, timberless, and, in many instances, marshy land, which, however, is yearly improving under the industry of farming, and the Statute Labour Law, which is most urgently enforced by the native pathmasters. The history of the Iroquois is unquestionably the most interesting of the myriad native tribes in the Americas, from the formation of the great Iroquois Confederacy more than four hundred years ago, down to the present day, when the sons and the daughters of this notable race are beginning to hold their own in social, political, and Collegiate Canada and to fear no excellence in advancement that they cannot rival.

To be the offspring of a people that held the balance of power in their red palms during the most tempestuous period in the history of the New World, is no small heritage, and, probably, no nature in the world possesses the almost rabid patriotism of the Iroquois, though he can to-day call no country his own, save the little corner that a greater power than he vouchsafes to allow him

to live in. This corner was at one period a hunting and fishing ground unequalled in the country, but a century of insidious inroads made by incoming settlers of a civilization not always wisely conducted, has despoiled the Iroquois of his game and the greater portion of his lands, which latter slipped out of his possession in a frequently unrecorded manner. But as the pioneers settled the country the demand for river lands in Upper Canada became urgent and the Iroquois were induced to surrender their territory bit by bit, much of it being purchased by the Government, and honourably paid for, until now in lieu of their erstwhile real estate the Six Nations have deposited with the Dominion Government upwards of eight hundred thousand dollars, the interest on which they draw bi-annually and individually—the amount varying in accordance with the expenditure they make on public works within their own Reserve.

Some ten years ago these Indians received in common with various other tribes throughout Canada the franchise, which entitles them to a voice in the Dominion Government, a privilege which, though long delayed is well merited, considering the facts that they keep their Reserve up to, and, in many instances, above the standard of the surrounding counties; that they cost the white voters nothing; and that they pay with their own moneys a large and efficient staff of clerks in the Government at Ottawa to attend to their business without further cost to the country.

No greater argument for the principles of sound government can be advanced than a glance at the history of the Iroquois. Always a thrifty people, the first explorers found them settled in the lands of what is now northern New York State, living in log houses, farming in a crude fashion, and astonishing the Europeans with their fields of maize and pumpkins. They were never a nomadic,

although a fighting race, for later it was this seemingly peaceful people that produced the few thousand fighting men who held the balance of power when France and England battled for the Continent and the red arm of the Iroquois helped to win it for the latter.

Perhaps the secret is one that has only recently come to light through the researches of a careful and philosophic investigator, the Hon. L. H. Morgan, that their internal polity was marked by equal wisdom, and had been developed and consolidated into a system of Government embodying many of what are deemed the best principles and methods of political science—representation, federation, self-government through local and general legislatures, all resulting in personal liberty, combined with strict subordination to public law. As Dr. Horatio Hale says, however, in his *Law-Giver of the Stone Age*, "it has not been distinctly known that for many of these advantages the Five Nations were indebted to one individual, who bore to them the same relation which the great reformers and law-givers of antiquity bore to the communities whose gratitude has made their names illustrious."

The name of this individual, Hiawatha, has been singularly, fatally, denied its historical claims, through the unintentioned errors of Longfellow, who having clothed it in immortal guise, denuded it previously of the place it rightfully occupies, as the name borne by one of the greatest statesmen, politicians, and reformers known to the world's history. About the middle of the 15th century lived this Hiawatha, a chief of high rank and of Onondago blood, a tribe ruled under the iron rod of a crazy and tyrannical chief, Atotarho by name. Dreaded, hated, and feared by his people, Atotarho waged incessant war against the Cayugas and Senecas, whose tribes bordered on his territory. At the same period the Mohawks, lying east of him, together with the Oneidas, were bearing the brunt of constant onslaught from the Mohicans, who possessed the tracts along the Hudson River south of them. Feuds, bloodshed, extermination threatened the entire Five Nations. The earth was soaked in blood, the very air impregnated with it. Then stepped forth Hiawatha out of the pages of Indian history, braving his terrible chief, Atotarho, with a scheme that could only have

had its birth in the brain of a perfect diplomat.

Referring again to the writings of the late Dr. Hale (and no more authentic translations of the Iroquois Wampum records are in existence than those which he made his life study), this scheme is best given in the eminent historian's own words: "With much meditation he (Hiawatha) had elaborated in his mind the scheme of a vast confederation which would ensure universal peace. . . . The system which he devised was not a transitory league, but a permanent government. Each nation was to retain its own council and its management of local affairs, the general control was to be lodged in a federal senate composed of representatives elected by each nation, holding office during good behaviour and acknowledged as ruling chiefs throughout the confederacy. Still further and more remarkably this confederation was not to be a limited one; it was to be indefinitely expandible. The avowed design of its proposer was to abolish war altogether, and he wished the Federation to extend until all the tribes of men should be included in it, and peace should reign everywhere."

Twice did this young reformer summons his tribe together to debate the advisability of adopting his proposals. Twice the dreaded Atotarho scowled upon the proceedings and dispersed the people in fear and trembling. At the third summons not a single warrior attended the council, and Hiawatha realized that his own tribe had rejected his movement for reform. Then he formed a bold project, and decided that if the councils of his own people were closed to him he would appeal to those of other tribes. Briefly, after many and various discouragements, he succeeded in winning, by his marvellous eloquence and sincerity, the great Chief of the Mohawks—DeKanawidah. Then followed the Oneidas, Cayugas, and Senecas, only the great Atotarho of the Oneidas refusing to consider the project, and rejecting again the proposal to come into the League. In desperation, the now enthusiastic tribes sent an embassy to the lordly Onondago with flattering proposals and inducements. Atotarho yielded to these, where sound argument had failed previously, and thus was founded the great Confederacy which lived through centuries of war and devastation, and is to-day solid, intact, pow-

erful as ever—the basis of rule amongst the Iroquois in the Grand River, and the government acknowledged by many able thinkers of our day as the purest polity known to civilization.

That Hiawatha, unaided, devised and executed a federal system that has lasted unshaken for four centuries; that he swayed the first council of fifty-two chiefs from hatred and bloodshed to peace and brotherhood; that he consolidated a government which exists to-day, conducted by the lineal descendants of those very fifty-two chiefs, is what has made him immortal to his own people, and should entitle him to a high place amongst the world's reformers.

It is a curious fact, though one which has frequently repeated itself in history, that Hiawatha's own tribe was the last to acknowledge his genius. The always fighting Mohawks were first to lend their ear to peaceful measures, going so far as to eventually adopt the young patriot into their tribe. Embassies to extend the "Great Peace," as the League was called, were sent in all directions, even as far as the distant Cherokees, who, however, declined their advances. Later the Tuscaroras joined the confederation, which was known far and near as the Iroquois Nation.

Subject to the criminal and civil laws of Canada, the Six Nations' Council now conducts its own

local laws and affairs with a wisdom worthy its noble progenitor. Wisely the old Chiefs pass no Bill they know will be rejected by the Government at Ottawa. With equal tact Ottawa inflicts no measure upon the Indians which she knows their Council will fail to pass. Herein perhaps lies the success which Canada has always enjoyed with her Red compatriots.

To those who still cling to Longfellow's beautiful but erroneous interpretation of the greatest of all Indian historical legends, the writer urges the authenticity of the ancient Wampum records of the Iroquois, which are as undeniably accurate as the jealously guarded literature and chronicles of any extremely conservative nation can well be. These Wampum records of great age and value are the national treasures of the Iroquois, and during the American war of independence were buried for a considerable period for safe-keeping.

The writer also takes this opportunity to express in the name of the Iroquois nation a sincere and affectionate tribute of gratitude to the memory of the late Dr. Horatio Hale, whose untiring and faithful application to the study of the most sacred and ancient ordinances of the Iroquois Confederation has been the means of giving our national history an accurate place in the literature of the English-speaking peoples of our day.

**From the annual Report on Indian Affairs** of 30th June, 1896, it appears that of the Six Nations or Iroquois there are 3,667 resident in the Grand River Reserve, 1,151 (Mohawks) on the Bay of Quinte, 799 (Oneidas) in the Thames Reserve, 1,889 at Caughnawaga, in the Province of Quebec, 1,254 at St. Regis, in the same Province, and 124 known as the Oka Band—an offshoot from the Caughnawagas—on the Watha Reserve in Muskoka, and 84 on "Michel's Reserve," near Edmonton, in Alberta, making, without including a few who are in Reserves of other Tribes, a total in Canada of 8,963 officially enumerated. This is known, however, to be about 400 less than the actual number, as the official enumeration does not include every individual.

The following dates and events in Iroquois

history have been compiled from various sources by Mr. E. M. Chadwick, of Toronto. His authorities include the History of the Five Nations, by the Hon. Cadwallader Colden, London, 1750 and 1755. League of the Hodënosaunee or Iroquois, by Lewis H. Morgan, Rochester, N.Y., 1851. History of the Six Nations, David Cusick, Tuscarora, N.Y., 1825, 1828; Lockport, N.Y., 1848. Iroquois Book of Rites, Horatio Hale, Philadelphia, 1833. He gives the time of organization into a Confederacy as about 1459.

In 1609 the Dutch arrived and founded a colony at New Amsterdam, now New York, and extending their possessions up the Hudson River came into contact with the Five Nations, with whom they formed a "Covenant Chain," or compact to maintain friendly relations.

Six years later, the Five Nations being at war with their old enemies the Adirondacks or Algonquins, the latter were joined by the French under Champlain. The Five Nations had no knowledge of the French previous to this time, nor any quarrel with them. This also was their first experience of firearms, by the use of which they were, at the first, surprised and easily defeated. Thus, too, was founded the hostility which long prevailed between the Five Nations and the French.

In 1643 the Five Nations conquered the "Neutral Nation" or Attiwondaronks, who occupied what was subsequently known as the Niagara District of Upper Canada, and destroyed them as a separate tribe, reducing them to a few scattered people, of whom some no doubt found a home among other tribes, while the remainder were absorbed by their conquerors through the process of adoption, which was a frequent method of treating captives in war—such persons becoming in all respects one with the tribe into which they were adopted.

The English superseded the Dutch in 1664 and assumed their "Covenant Chain," which may be said to have continued ever since unbroken. During the succeeding year the French, under De Courcelles, invaded the Five Nations' territory ineffectually; and again under De Tracy, when they destroyed a Mohawk Village, with a force of 1,200 French and 600 Indians. In 1670 the Five Nations, by successful war against the Hurons and Algonquins (Ojibways, Ottawas, and others), became dominant in all Upper Canada between Lake Huron (south of Georgian Bay) and the Ottawa. About this time also they broke up the New England Indians and reduced them to a condition of dependence, exacting from them a yearly tribute paid in wampum.

About 1680 the Senecas invaded and defeated the Illinois. At different dates, which cannot be stated with any degree of accuracy, the Five Nations overcame and reduced to dependence in varying degrees the following Indian nations: the Cherokees, Catawbias, Miamis, Shawnees, Susquehannahs, Nanticokes, Unamis, Delawares, and Minsi, reaching their highest degree of power about the end of the seventeenth century.

In 1684 the French again, 1,800 strong, under

De Le Barre, invaded the territory of the Onondagas, with little success. Three years later Denonville, with 2,000 French and 600 Indians, invaded the territory of the Senecas, destroying villages and cornfields. In the following year the Five Nations retaliated upon the French, and invaded Canada at Chambly and at Frontenac (Kingston) with all the terrors of Indian warfare. Again, in 1689, 1,200 strong, they ravaged the neighbourhood of Montreal up to the very fortifications, retiring with 200 prisoners, the French losses amounting to a total of 1,000; and, though Frontenac in the same year sent a force of 600 against them, destroying three villages and taking 300 prisoners, the Five Nations remained virtually conquerors of all Canada west of Montreal to Lake Huron.

In 1696 Frontenac, in person, with 1,000 French and 1,000 Indians, over-ran the Onondaga and Oneida territories, destroying villages and crops. A detachment under de Vaudreuil also attacked the Oneidas. Peace was then made, which continued until the British conquest of Canada, sixty years later. The Tuscaroras in 1715 were driven from North Carolina, and sought the protection of the Five Nations, as being of a common origin, and were admitted into the Confederacy, which then became the "Six Nations." In 1749 Abbé Picquet established a small settlement of Christianized Iroquois at Oswegatchie (Ogdensburg, N.Y.), which rapidly increased until, in 1754, it numbered some 3,000. This settlement was subsequently removed to Caughnawaga and St. Regis, where this branch of the Iroquois (as the Six Nations are unitedly called) still continues.

The American Revolution broke out in 1775, and the Six Nations became active participants in the contest, being, chiefly through the influence of Sir William Johnson, seconded by Brant and other chiefs, for the most part staunch and active adherents of the Loyalist cause, though a few were doubtful and held aloof. In the course of the war many of the villages and possessions of the Six Nations were laid waste by an American army under General Sullivan. They had made great advances in civilization, and many of their dwellings were good two-storey houses, with orchards and cultivated fields, all of which were

destroyed. It is stated that in one orchard alone 1,700 fruit trees were cut down by General Sullivan's troops.

In 1783 the American States became independent, upon which the Loyalist migration to Canada took place, and a large number of the Six Nations, led by Brant, were allotted a settlement upon the Bay of Quinte, where there is still a Mohawk Reserve, and subsequently a large tract of land upon the Grand River, the most of which was subsequently alienated, leaving however a Reserve of 46,133 acres, which they still occupy. A smaller settlement of Oneidas is in the Township of Delaware, on the Thames.

Besides the 8,800 Iroquois, as officially numbered, there are still some in New York, some have been deported to the west of the Mississippi, in the United States, and a band numbering about 700, in 1851, settled in Wisconsin, U.S. Their numbers in former times varied considerably. In 1677 they were estimated at 17,000, and about the end of that century they are said to have taken a census themselves showing 17,760. Sir William Johnson estimated them in 1763 at 10,000; Morgan in 1851 stated their numbers as being probably 7,000 in Canada and the United States together, but he evidently under-estimated the Canadians.

The league of the Iroquois was in the first place an alliance offensive and defensive of five "nations," and in the second place an international tribal or clan relationship, the latter being in theory, and ultimately in fact, a blood relationship between members of the different nations. The two unions constituted a combination by which the five peoples, though continuing to inhabit separate districts, became so welded together as to constitute an inseparable whole. The government was vested in a Council of fifty Sachems or Civil Chiefs, whose office was of an hereditary nature, aided at times by War Chiefs (not hereditary), and even by elder women, who possessed much political influence. These Chiefships were distributed firstly among the Nations, and secondly among the clans, each clan in each nation having one, two, or three chiefs. When the Tuscaroras became the Sixth Nation, the number of Chiefs was increased by their representatives. The Chiefships originally formed

still continue, and the present Chiefs are known by the names of those whose successors they are, for the Council still continues its functions, and by it, under the Indian Department, the affairs of the Six Nations of the present day are regulated. The descent of hereditary Chiefships is traced in the female line. Upon the death of a Chief, his successor is nominated by the elder woman of the deceased's family, who names her own son or grandson, or the son or grandson of her sister or other near relative, being a female of the same descent as herself, and therefore of the same nation, and of the same "totem" and clan as her own.

The Six Nations are known by themselves by the Mohawk term Kanonsionni or "People of the Long House." Morgan uses the Seneca equivalent, which he writes "Hodenosaunee."

The present condition of this ancient people is chiefly agricultural, their Reserves being divided into separate holdings, which are allotted to the different families, and in such occupation they have a fair measure of success—their manner of life being on the whole much like that of other farmers in Canada. The Government holds in trust for them large sums, being the proceeds of sales of tracts of land originally granted to them, and from these sums they receive annual per capita payments.

Religion and education have not been overlooked. At the Grand River, near Brantford, is the old Mohawk Church—formerly, but not now, within the Reserve—which is nearly, if not quite, the oldest in Ontario, and a place of much interest. It is furnished with a Communion set and large Bible, which were the gifts of Queen Anne, and there also is the tomb of the celebrated Mohawk Chief Joseph Brant. There are some other Churches at the Grand River Reserve, of which the principal one is a handsome white brick Church, in Gothic style, at Kanyungeh. The Mohawk Institute, established in 1831 near the old Mohawk Church by the "New England Company," an incorporated Missionary Society organized in England in 1649, is a most successful and admirably managed school for elder boys and girls, while for younger children there are several other schools upon the Reserve. On the Bay of Quinte Reserve there are two stone Churches and four schools.



## THE INDIANS OF WESTERN CANADA.

BY

The REV. GEORGE BRYCE, LL.D., M.A.

**T**HE *Algonquin nation*.—On the 14th of June, 1671, the French explorers met at Sault Ste. Marie a great concourse of Indians. While these were not all of one race yet the fact that Father Allouez addressed them in Algonquin shows that the Algonquin influence was a prevalent one upon the north shore of our Canadian lakes. This "pageant of St. Luson," as it has been called, was a marked event in the spread of French influence among the northern tribes.

In 1701, after the French and Indians had wearied themselves in destructive wars, a great gathering of tribes, from even a wider area than that which the spectacle of St. Luson had witnessed, took place at Montreal. Amid salvos of artillery and discharges of small arms the peace of North America was declared. Here were assembled, we are told, Abenakis, Iroquois, Hurons, Ottawas, Miamis, Algonquins, Pottawatamies, Outagamis, Saulteaux, and Illinois. This list, while it tended to represent all our northern Indians, includes others as well, though a proper classification will show that many of them were Algonquins.

On the rocky shore of the Atlantic the strong, heavy-boned, and sturdy Algonquins were first met by English colonists and French explorers. They extended west of the Alleghanies, northward to the Gulf of St. Lawrence, and westward again to the Laurentide country, even to the far west prairies. Known by various names along the Atlantic seaboard, these branches of the Algonquin nation have almost all passed away. A few of the same people remained in the Micmacs and Melicetes of Nova Scotia, and in the Abenakis, who wander along the shore of the Gulf of St. Lawrence. Coming westward the most hardy branch of the Algonquins is found in the Ojibiways

or Chippewas, who live along the north shore of the St. Lawrence, and Lakes Nipissing, Huron, and Superior. To the Ojibiways seemed to have belonged the Ottawas, who dwelt on the river bearing their name, but moved west to Manitoulin Island and the west shore of Lake Huron. The Ojibiways, clinging to their country of wood and rock, have been a widely scattered but self-relying people. Dwelling in their round-topped, birch-bark wigwams, at home on their lakes and streams in their bark canoes, and living on fish and game, they have held their own as a powerful race, and have again and again been successful in driving back the fierce Iroquois and the bloody Sioux.

Modified by climate and surroundings the Ojibway branch of the Algonquins became a separate people, called the Crees, or in early books Christineaux or Klistinos. They speak a dialect of the same language, and are in physical aspect similar to the Ojibiways. A later emigration to the west seems to have taken place among the Ojibiways from the neighbourhood of Sault Ste. Marie. A century and a half ago they were called Saulteaux, and are spoken of at Nepigon, on Lake Superior, as the most numerous tribe of the locality, as being wanderers—"not planting anything, and subsisting solely by the chase and fishing." Saulteaux are found at the present day as far west as Lake Winnipeg. The Crees are a more adroit and adaptable people than the Ojibiways. Beginning at Lake Winnipeg they stretch to Hudson's Bay. On account of this region being one of swamps, or muskegs, they are known as the Crees of the Muskegs, or Muskegons. They have proved much more tractable than the Ojibiways, have largely adopted Christianity, and received education fairly well. Shades of difference in dialect may be detected every hundred

miles or so on the way from Lake Winnipeg to Hudson's Bay. Going westward from Lake Winnipeg up the Saskatchewan the Wood Crees are found, who being now similar in circumstances to their Ojibway ancestors resemble them more in character. As the prairies south of the great Saskatchewan are reached what are known as the Plain Crees are met. These wanderers, leaving behind their canoes as they deserted the rivers for the horses on the plains, and giving up their birch bark wigwams for the leather teepees of the plains, are said to number not less than sixteen thousand souls. Near the source of the south branch of the Saskatchewan live a large nation, some seven thousand in number, known as the Blackfoot nation. These, though differing in some respects from the Crees, have yet resemblances to them in language, and in the present state of our knowledge may be included with the Crees as being of Algonquin origin.

2. *Dakotas or Sioux*.—As the early French explorers passed through the Upper Lakes, they met a new nation of Indians coming from Lake Superior. They were known as the "people of the lake," and were so like the Five Nation Indians in appearance, that the French called them "the Little Iroquois of the West." Like the Iroquois, they were a nation of allies, and from this bore the name Dakotas, but they have always been best known as the Sioux. Their language is somewhat like that of the Iroquois, and their lithe figures, aquiline noses, and intellectual features mark them as handsome Indians. It has been surmised that the Iroquois and the Sioux are but different branches of a war-like people, who, coming up the Mississippi on their line of conquest, divided at the mouth of the Ohio River, the one part going to the north east, the other part northward to the "land of the Dakotas," to the west of the great lakes. So fierce are they in disposition and cruel in war that the Sioux have been called the "tigers of the plains." Along the southern boundaries of our Western prairies of Manitoba and Assiniboia is the old territory of the Dakotas. In 1861, the great Sioux massacres of Minnesota took place, and this led to the flight of Sioux refugees to the north side of the boundary line. Several settlements of the Sioux are thus found in Manitoba.

They are good farmers, and are, to a considerable extent Christianized.

Strangely like the history of the Iroquois has been that of the Sioux. Years before the coming of the white man a feud arose in the most northern tribe of the Dakotas; and it was so severe that a portion broke off from the nation altogether and became deadly enemies. These took up their abode on the Assiniboine, the largest tributary of the Red River, which runs entirely through Canadian soil. This tribe became known as the "Sioux on the Stoney River," as the name Assiniboine means in Cree. This people have always been friendly with the Crees; know their language and have largely intermarried with them. Scattered bands of Assiniboines are found in Assiniboia, and even west to the Rocky Mountains. On the Souris River a remarkable outlier of brown sandstone rock rises on the prairies. This was called by the early French explorers "Roches Percées," and the name still remains. It was a famous rendezvous for Crees, Assiniboines, and even Sioux. Their picture-writing may still be seen upon it, commemorating their history. To them it was the abode of the Manitou. And here the nations all assembled, laying aside for the time their feuds and being at peace with one another. Here were re-produced the scenes of peace so pleasantly related in "Hiawatha" in connection with the red pipestone quarry, a locality to the south east of "Roches Percées."

(3) *The Chippewayans or Athabascans*. To the north of the country of the Crees is met a very different Indian people known as Tinné or Chippewayans. They are not to be mistaken for the Chippewas, as they dwell far north near Fort Churchill on Hudson's Bay, and extend west to Athabasca and Slave Lakes. They even live along the Peace River, and are still found as that river is ascended to the west side of the Rocky Mountains. A tribe called the Sarcees, alongside the Blackfoot nation on the boundary line near the Rocky Mountains, are relatives of the Chippewayans. Other tribes of the Athabaskan people, as it is called, are found even as far south as New Mexico. The Athabascans, sober in habits, are timid in disposition, are great travellers, and are peculiar in not having the intensely black hair nor the piercing eye of the other Indians.

(4) *Indians of British Columbia.*—There is a great admixture of races on the Pacific Coast. This gives colour to the supposition that it was from the Indian Archipelago, from the Aleutian Isles, and even from different points on the eastern coast of Asia that our Indian peoples originally migrated. One of the best known tribes in British Columbia is the Haidas, of Queen Charlotte Islands, who also occupy the adjoining mainland. On the coast islands the Haidas exceed six thousand in number, and their villages with grotesque totem poles carved in the forms of birds or various animals, showing the crest of the clan, are well known. In the neighbourhood of Fort Simpson are the Tsimshians, a branch of the Haidas. The Nulka Indians inhabit the islands of Vancouver, and have many tribal subdivisions. To the Selish, or Flatheads, of the Columbia mainland belong many tribes of the Lower Fraser River, and also the Shushwaps, far up the mountains, on the Columbia and Okanagan rivers. A tribe, formerly powerful on the Columbia River, near its mouth, the Chinooks, is now almost extinct. Its language, intermixed with English and French words after the coming of the traders, became the trade language of the Pacific Coast under the name of the Chinook jargon. Almost all the coast tribes were familiar with it. A physical difference marks the mountaineers of British Columbia from the coast Indians, for while the latter, who live on fish, are dwarfed and lacking in spirit, the inland tribes are noted for their independence and athletic skill.

(5) *The Eskimos.*—Far away to the north, beyond the Arctic circle, live the Eskimos, or, as they call themselves, Innuits. They are found on the Labrador coast, on Coppermine River, on the shore of the Arctic Sea, and on the Alaskan Peninsula. Along with the Chippewayans to the south, they number, on Canadian soil, twenty-six thousand souls. The Eskimos are not, as many think, a race of dwarfs, though their stoutness has led to this opinion. Dressed in sealskin clothing and dwelling in huts of snow, these people of the north find their way from place to place in sledges. These are drawn by wolf-like dogs, which have taken their name from their masters of "Eskies," or "Huskies." Over the open fjords the Eskimo sailor in the short summer

shoots in his "kayak," or one-seated skin boat: or carries his family in his "umiak," or flat-bottomed boat, so well known to all readers of the accounts of Arctic exploration. The seal and walrus on the coast and the reindeer on land supply food to the Eskimos. Skilful in the manufacture of implements, these ingenious savages, from walrus tusk and whalebone, make harpoons, spears, spoons, ladles, ornaments, and trinkets of every kind. The Eskimos are a peace-loving, tractable, and clever, though somewhat gross, people.

*Archæology.*—In the region to the west of Lake Superior many mounds are pointed out which speak of an ancient race. They are built of earth, but sometimes contain layers of stones and even constructions of timber. They are generally circular in shape, and are from six to fifty feet high, and from thirty to one hundred feet in diameter. Usually situated on cliffs or points of advantage along the lakes or watercourses, they undoubtedly served the purpose of observation or defence. In addition they seem to have been used as the cemeteries of the race that built them. They usually contain skeletons, some of them in a sitting posture; others have collections of skulls, while in some the bones have mostly turned to dust. Along with the bones are found implements and trinkets which were buried with the dead. Stone scrapers and gouges, axes and mallets are abundant; lumps of red ochre, pieces of bright shining pyrites, ornamental shells, beads, and wampum are frequent; while numerous tubes of soapstone occur which are believed to have been used by the medicine men in their incantations. On Isle Royale, in Lake Superior, traces are found of a former working of the native copper seams of the island; and many hundred miles west of the lake the mounds are found to contain copper drills, hooks of copper, and even copper circlets for the head. All of these are of native copper, and no doubt came from Lake Superior.

Most interesting of the remains in the mounds are the cups or fragments of pottery. These are of all shapes and sizes, and are ornamented with markings of every variety. The question has been raised whether or not these mounds contain the bones of the ancestors of the present Indians.

The fact that the mounds are usually found in fertile districts points to their builders having been agriculturists, and the frequent occurrence of pottery shows them to have been somewhat civilized. These features distinguish them from the present Indians, who are neither agricultural nor industrial in their tendencies. Our Indians maintain that these are not the bones of their ancestors, but that they belonged to the "Keteanishinaté," or very ancient men. Probably the best suggestion made is that they were of the Taltecan race, which formerly inhabited Central America, who were agriculturists, and pottery makers, and who spread over different parts of America during the 7th and 12th centuries. These seem to have been swept away by the eruption from the south represented by the Iroquois and Sioux migrations, and this fiery flood of extermination may have been about the time when the white man first appeared in the American interior. At that time, three centuries ago, they saw the remnants of the Hochelagans, Eries, and Neutrals being swept away in savage fury. The secret of the Alleghans, as the vanished race has been called, will probably never be unearthed. Most of the Indian tribes have a tradition of the deluge, and amongst the Western Canadian Indians there is a pious legend of a great deliverer who came to clear the rivers and forests and fishing grounds, and to teach peace and its arts. This myth circles around Lake Superior, and was collected by Schoolcraft, who was for many years Indian agent at Sault Ste. Marie. It is but the heart of man crying out for higher help, and the expectation handed down that a deliverer would surely come. This Algonquin myth is found among the Micmacs of Nova Scotia in the story of their deliverer, the doughty "Gluscap."

*Language.*—The Indian languages, while differing very much, have a general feature of resemblance, in that they are all "incorporating languages," *i.e.*, have the feature of building up words by agglutination, or of putting all parts of speech together in one great compound. Words of great length are thus constructed, and this is a more marked feature of our Indian languages than even of the Basque of the Pyrenees—the old world representative of this type. The Algonquin languages have been very persistent in form,

though having many dialects. Being entirely spoken languages, some difference in form has been made according as the linguist who reduced them to writing was French or English. The different spelling of many of the Indian names is thus accounted for, as example, Owinipigue (French), Winnipeg (English); Kris or Christmeaux (French), Crees (English). The different dialects, especially of Cree, require much study to master their peculiarities. Tribes such as the Crees and Assiniboines, that mixed much together, generally used the language of the stronger. Accordingly many of the Assiniboines understood Cree. Amongst the Indians of British Columbia no less than eleven well-defined dialects have been made out. The sign language is extensively used among tribes of different speech, and it is marvellous to what extent two solitary horsemen meeting each other on the plains, and unable to address a single word to each other, can interchange ideas. Picture writing was also much practised among the Indians, and maps of large districts are made with considerable skill. It was a map drawn by a very unlettered Indian which was followed by Verandrye on his exploratory voyage from Lake Superior to the interior of the Winnipeg country.

*Indian Dress.*—Before the coming of the white man, the red men chiefly depended for their dress upon the skins of animals taken in the chase. They early discovered the art of tanning the skins of wild beasts, and their women are still able from these to make a soft and supple leather. Garments, often highly ornamented, made from this leather, enabled them to defy the cold in their northern home, which they called Keewatin—the land of the north wind. From this leather was also made the moccasin, shod with which the Indian could steal through the forest as noiselessly as a panther. For crossing the snowy fields, either of forest or prairie, the snow-shoes, a broad frame covered with a network of leather thongs, were used with great skill. The hunter on his snow-shoes easily captured the deer or buffalo caught floundering in the heavy snow. In their dress the Indians have always shown the greatest love of ornament. The braves decked their heads with the feathers of the hawk and eagle, while both men and women wore ear-rings,

bracelets, strings of beads, ornaments of bone and shell, and smeared their faces with red and yellow ochre. The Indians of to-day, though in many places settled and dressed more after the manner of the whites, yet here and there still show traces of these customs of their fathers.

*Amusements.*—The different Indian tribes have a remarkable similarity in their customs and habits of life. Living largely by hunting and fishing, they are accustomed to have much time on their hands. This leads them to seek for company, and accordingly on the plains large camps were found among the Indians in their wild state. The Indian dearly loves the social gathering and the *pow-wow*. The assemblages of the old men were characterized by great conferences, in which Indian eloquence reached its height in interminable speeches. In the evenings a great variety of dances were indulged in (see Catlin's North American Indians), and the neighbourhood of a camp of heathen Indians is still notable by the incessant sound of the "tom-toms," or small drums, beaten by the squaws as an accompaniment to the dance. The Indians of the plains likewise have many athletic games in which they take great delight, and have an inveterate fondness for horse-racing. Perhaps the greatest evil in the large camps is the fondness for gambling found among the young and old. Gamblers have been known to sit through the whole night, and men have gambled away every possession belonging to them, including the last horse and even the wife best beloved. The feasts found among the Indians of the woods were also practised by the Indians of the plains, and were always scenes of the greatest revelry, and frequently ended in violence.

*Religion.*—Among the western Indians their religious rites often ran with their feasts and amusements; indeed, many of their feasts were based on religious sanctions. With high imaginative power, the mind of the Indian went readily towards superstition. Whilst believing in a great spirit, the "Gitche Manitou," yet his actions seemed more frequently dictated by fear of the spirit of evil, or "Matche Manitou." All Indians have an unbounded confidence in magic, or, as they call it, "bad medicine." The conjuror, or medicine man, is an adept in the use of this ter-

rible agent. Acquainted with the medicinal powers of the herbs of the field, using his knowledge as a terrifying agent, ingenious in his use of natural phenomena, and cunning as a fox in his estimate of motive and character, the medicine man could make peace or war, destroy the influence of the chief, or render ineffectual the work of the Christian teacher. The great religious rite of the plains was the "sun dance," conducted under the direction of the medicine man. This was the introduction of the young braves into the established position of warriors. Assembled together, the multitude looked upon the candidate for elevation. Young men submitted to piercing the muscles of the chest, and tying thongs through the openings, which were fastened to ropes. By this, though suffering intense agony, the stoical youth was lifted, and frequently persisted till he fainted away.

The system of superstition was thoroughly organized, and had great influence among the western tribes. Along with this there was some worshipping of the Manitou, and some of the tribes worshipped the rising sun. All the Indians believed in a future state, and that a different place awaits the good man from that to which the bad is sent. In burying their dead the Algonquins usually chose a beautiful spot in the forest, or the headland overlooking a lake or river. The Sioux and other western tribes sometimes exposed their dead on platforms or on the branches of trees. Freed from the infamous power of the magician, the Indian belief had much in it to make a dignified, brave, honourable, though somewhat taciturn manhood.

*Recent Indian History.*—In looking back for more than a quarter century since 1871, the writer has seen many changes among the Indians of the west. It is true that at the beginning of that period many of the Indians were far from being entirely savage. The Indians of St. Peter's, for example, on the Red River, seemed nearly as far advanced as they are to-day. For fifty or a hundred years the Indians of this district have been under the influence of Europeans. Much of their intercourse with the whites was hurtful, yet the Hudson's Bay Company, with a wise self-interest, if from no higher motive, treated the Indian well; did not allow him to go very deep

in his use of the firewater—the bane of his race—and gave him credit for such supplies in advance as he needed, a trust very rarely abused. The Hudson's Bay Company Indian, indeed, almost formed a distinct type of Red man. He was an easy-going, light-hearted mortal, shrewd in trade, agile on foot or in canoe, fond of his ease, and taking on very much the character of his immediate superiors, good or bad, as they chanced to be. In 1871 all the tribes were in a ferment. The old order had passed away. What was the new to be?

The Indians were restless. All remember the exorbitant demands, the long debates, the Indian fickleness and sulky grumbling, that the Commissioners met with when in Governor Archibald's time at Lower Fort Garry and Manitoba Post, Treaties One and Two were made, and when Governor Morris negotiated at Northwest Angle Treaty Three. The Indians were unwilling to allow even the surveyors to sub-divide the land, and the joint expedition of 1872, which on behalf of Great Britain and the United States surveyed the 49th parallel, was threatened. For several years after the occupation of the North-West by Canada, the movements of the other Western Indians, as well as the Sioux, were so uncertain that frequent despatches of an anxious character were forwarded to Ottawa by the Governor of Manitoba. On the 4th of March, 1873, an urgent petition to the Governor was forwarded by Rev. John McNabb, Presbyterian minister at Palestine (now Gladstone), then the farthest point of settlement. The anxious pastor with 55 others complained of the threatening attitude of the Indians and of the defenceless state of the settlers, and asked for arms and ammunition.

In 1872 the Sioux at Portage la Prairie were so domineering that the settlers dared not refuse their demands, and were in constant fear. The reports—often canards—of murder and theft on the plains were of weekly occurrence in Winnipeg in those days. The Indian question was regarded as a most difficult one by our statesmen. We were told that Canadians had never dealt with large bodies of Indians; that Blackfeet, Bloods, and Sarcees, and even the Plain Crees, were bent on mischief; that they would hold the plains against us, mounted as they were on fleet steeds

and armed with repeating rifles, obtained from the American traders. The Little Saskatchewan, and Fort Ellice, and Turtle Mountain were out of the world in those days; Prince Albert and Edmonton were the "Ultima Thule"; while Forts "Whoop-up" and "Slide-out," in the Bow River country, were the inaccessible haunts of horse thieves and desperadoes. How changed now! Our Government boldly and successfully met the threatened danger. They made treaty after treaty. It was seen that not only must the Indian be quieted, but also that steps should be taken for his improvement. The wandering habits of the Indian render his subsistence precarious. If possible therefore he should be induced to settle down upon a reserve. There he may have a house; after that agriculture and cattle raising might be possible for him. Naturally averse to labour, he must be induced and pressed to become more and more self-reliant. He must be educated, and at any rate his children trained to a civilized life.

The following are the treaties which have been made with the Indians and interesting facts connected with them:

## MANITOBA AGENCY.

	Population.	By whom made.
Treaty I. 1871. Chiefly of the old Province of Manitoba.....	3,270	Simpson.
Treaty II. 1871. Lake Manitoba, Souris, Moose Mountain	2,185	Simpson.
Treaty III. 1873. Lake of the Woods, Rainy River and North, (area 55,000 square miles).....	2,673	Morris.
Treaty V. 1875. Lake Winnipeg and River Saskatchewan (area 100,000 square miles)...	3,183	Morris.
	<hr/> 11,311 <hr/>	

## WESTERN AGENCY.

Treaty IV. 1874. Lake Winnipeg to Cypress Hills, (area 75,000 square miles).....	6,886	Morris. Laird.
Treaty VI. 1876. Plain and Wood Crees, Upper Saskatchewan (area 120,000 square miles).....	6,622	Morris.



Treaty VII. 1877. Blackfeet, Population. By whom made	
Bow River (area 35,000 square miles).....	7,681 Laird.
	<hr/> 21,189

All these treaties promised certain reserves to the Indians. In most cases these were selected after the Treaty by the joint action of the Government agent and the bands themselves. The reserves were given on the basis of 640 acres for each Indian family of five. All the lands of the reserve, however, belong to the band.

Once upon the reserves, the chief of the tribe, elected by the Indians themselves, but who must have the approval of the Government, has a sort of rule or precedence. Each agency is divided up into a number of districts, and over each district an agent is appointed who must be a resident of the district, and whose duty it is to give his sole time and thought to the advancement and comfort of the Indian. When Treaties One and Two were made they were not so favourable as those afterwards agreed on. One and Two were revised, and now it may be said the terms of all the treaties are virtually the same. The following are the leading features:

At Treaty, \$12 to each male member of band. Annually thereafter, \$5 each. Annually, each head chief, \$25; three subordinate chiefs, \$15 each. \$1,500 worth of ammunition and twine annually to the band. For each band, one yoke of oxen, one bull, four cows. Seed grain for all the land broken up. One plough for 10 families. Other agricultural and mechanical implements and tools. There was to be a school on each reserve. No intoxicating liquor to be sold on the reserve. Right to fish and hunt on unoccupied land of the district.

Among the most cheering things in the negotiations of all the treaties was the earnest desire of the Indians for the education of their children. In Treaty Three this is embodied in the following words: "Her Majesty agrees to maintain schools for instruction in such reserves hereby made as to Her Government of Her Dominion of Canada may seem advisable, whenever the Indians of the reserve may desire it." I am glad to be able to state from the best authority that the Indians not only desire schools on their reserves, but are clamorous for them. Of course there will be diffi-

culty in maintaining the regular attendance of the children, but this is a thing not unknown among whites. While not among the illusionists, who regard the Red man in his savage state as a hero of the Fenimore Cooper type, yet I know from many years' hearsay and experience that in intellectual ability the Indian is much above the average of savage races. He has a good eye; he learns to write easily; has a remarkably good memory as a rule, and while not particularly strong as a reasoner, he will succeed in the study of languages and the pursuit of the sciences. Of course the school begun on an Indian Reserve must be, in most cases, of the most primitive kind, particularly until the wanderer's habit is overcome.

As illustrating the native aptness of the Indians one has but to examine their "picture writing." This is so ingenious that an Indian chief will keep the whole account of his dealings, and that of his tribe with the Government, with absolute exactness. Take for example the transactions of Mawintopeness, chief of the Rainy River Indians. On a single page not larger than a sheet of foolscap are the transactions of several years. This system, which is one of very simple entry, does not occupy one-tenth of the space filled in the Government records of the same affairs. Governor Morris, tall and slender, is recognizable with a gift in his hand; each year has a mark known to the writer; the chief recording the fact that he has received each year \$5 bounty and \$25 salary, is represented by an open palm, a piece of money, and three upright crosses, each meaning \$10; his flag and medal are represented; his oxen and cattle are recognizable at least, and so on with his plough, harrow, saws, augurs, etc. The same chief, noted for his craft, represents himself between the trader and the teacher, looking in each direction, showing the need of having an eye on both. Interesting examples of Indian bark letters, petitions, etc., of a pictorial kind, may be found in Sir John Lubbock's "Origin of Civilization." Many specimens can be shown of paintings in colours, done by an Indian artist, and though not likely to be mistaken for those of Rubens or Turner, yet they are interesting.

Another most interesting feature of Indian intelligence is the widespread use among them of

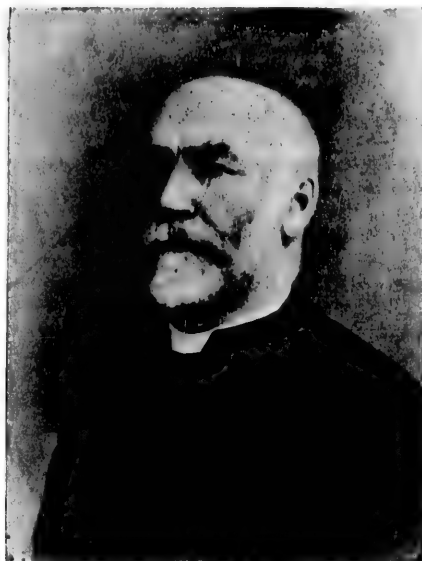


the syllabic character—of which the following is an example :

L	q	U	
MAH.	NE.	TOO	(Great Spirit.)
Δ	Γ	Γ	
OO.	ME.	ME	(The Pigeon.)

This is a system of characters invented about 1840 by Rev. James Evans, at the time a Methodist Indian missionary to Hudson's Bay. Since that date it has spread—especially among the Crees—even far up the Saskatchewan. It is used extensively by the Indians in communi-

cating with one another on birch-bark letters. It may be learned by an intelligent Indian in an afternoon or two, being vastly simpler than our character. The British and Foreign Bible Society, the Church of England and Roman Catholics use this syllabic character in printing Indian books. When Lord Dufferin was in the Northwest he heard of the character for the first time, and remarked that some men had been buried in Westminster Abbey for doing less than the inventor of the syllabic had done, and during the visit of the British Association in 1886, a number of the most distinguished members expressed themselves as surprised at an invention of which they had not previously heard.



The Rev. Dr. Bryce.

## THE INDIANS OF THE CANADIAN NORTH-WEST

BY

THE REV. JOHN MACLEAN, M.A., Ph.D.

THE quest after a North-West passage brought the Arctic navigators into contact with the Eskimos and Indians, and in their journals we may read the story of hardship, relieved with notes on the customs and languages of the aborigines. French and English traders sought wealth in the Hudson's Bay country before the Hudson's Bay Company received its charter, by trading with the Indians for the furs of the animals which inhabited that region. In the middle of the eighteenth century La Verendrye and his sons travelled through several portions of Manitoba, one of the sons being the first European to cross the continent to the Rocky Mountains, and half a century later Alexander Mackenzie explored the region northward to the Frozen Sea, and westward to the Pacific Ocean. These intrepid travellers found willing helpers in the Redmen amongst whom they dwelt for a season, and bitter foes confronted them in the tribes they met for the first time. Alexander Henry, the younger, traversed a large portion of Manitoba and the Territories, trading with Blackfeet, Bloods, Piegiens, Sarcees, Ojibways, Atsinas, Crees, and other tribes, and from the journals of these traders and explorers, and the writings of the Arctic adventurers, our knowledge of the early history and condition of the aborigines is gained. The numerous tribes whose haunts were found in forest, mountain, and plain, had no means of making an accurate estimate of the strength of their tribal friends and foes, and the white men were unable to take a census, the tribes living in a state of perpetual warfare, and the distances of residence being so great. The Indian population of Rupert's Land and the territory east of the Rocky Mountains and west of Lake of the Woods was supposed, in 1857, to be fifty-six thousand souls, and at the present time the approxi-

mate returns of the native population of Manitoba, the North-West Territories, Athabasca, Arctic, Coast, Eastern Rupert's Land, the Peace River and Mackenzie Districts amount to fifty thousand persons.

The Mound-builders have left traces of their existence in the parish of St. Andrews, near Winnipeg, and in the districts of Rainy River, Riding Mountain, and Souris River. The relics of this peaceful race of nomads may be seen in the museum of the Manitoba Historical Society, Winnipeg. Cairns of stones and figures of animals made of small stones having totemic signification were erected upon the prairie by the natives, and the observant traveller may see these evidences of the beliefs of another race as he rides over some localities where the farmer has not yet removed the stone monuments by his plough. Small circles of stones mark the places where the lodges have been pitched, as these were used to hold down the bottom of the lodge. The cairn of small stones marked the spot where a native hero fell, and the figures of animals the totems of the tribe. Concerning the erection of some of these prairie boulder monuments the natives say they were made by the spirit of the winds.

The tribes are widely scattered, each occupying its own territory, bearing its distinctive tribal characteristics produced through environment, and never intermingling with each other. The Cree Confederacy forms one of the largest bodies of Indians in the Dominion, and the tribes and sub-tribes inhabit sections of country from the eastern limit of Manitoba to the Rocky Mountains, and from the International Boundary Line on the south to the northern district of the Athabaskan tribes. The Plain Crees reside chiefly on the prairies of Alberta and Assiniboia; the Wood Crees inhabit Northern Alberta and Athabasca;

and the Swampy Crees, sometimes called Maskegon, dwell in Keewatin. There are between one and two thousand Sioux Indians, divided into small bands, widely scattered on reserves and as refugees, obtaining a precarious kind of living along the lines of railroad in the prairie region. The members of this tribe call themselves in general Dakota, meaning "our friends," or "associated as comrades," signifying their relationship as tribes. Sioux is a hated term given to them by the white people, signifying *enemies* or *hated foes*. In the sign language of the tribes they are designated *cut-throats*. The Ojibiways called them *Nadowessi*, a contemptuous term for *rattlesnake*, and after adding the plural form to the word, the trappers and voyageurs cut it down to Sioux.

In the seventeenth century the Ojibiways were living on the south-eastern shore of Lake Superior, chiefly in the vicinity of Sault Ste. Marie, whence they migrated at a later period westward, until in the last decade of the eighteenth century a large camp was found located on the present site of the city of Winnipeg. The name Ojibway signifies *pucker*, which is derived from the peculiar pucker of the moccasin, or to *roast till puckered up*, referring to the inhuman method of this tribe of burning captives taken in war. There are numerous small bands in this western part of the Dominion, but the greatest portion of the tribe resides eastward. There is a sub-tribe of the Ojibiways known as Saulteaux, living in small bands widely scattered throughout the country. The Blackfoot Confederacy, numbering more than three thousand souls, occupies three reserves in Alberta, the Bloods having a fine location lying between Belly River and the International Boundary Line, the Piegiens situated on the Old Man River, at the foot of the Porcupine Hills and west of the town of Macleod, and the Blackfeet proper living about sixty miles east of Calgary, on both sides of the Bow River.

The Assiniboines or Stoney Indians, a branch of the Siouan Confederacy, are found in the Territories in small bands. Two centuries ago these people were known as Assiniboines and Assinipoulacs in their home on the north-west shore of Lake Superior, the present district of Algoma, whence they journeyed westward, roaming over a wide extent of country, from the Pembina Mountains to the Saskatchewan. It is said that the

tribe cooked their food on heated stones, and were consequently called stone people. The Sarcees, living south of Calgary, form an offshoot of the Beaver or Castor Indians of Athabasca, having left their northern home through an internal clan feud. Contact with the civilization of the white people has caused them to decrease, until a remnant of little more than two hundred remains as the full strength of the tribe. In the far north dwell the Athabaskan or Dené tribes, including the Loucheux or Kutchin, of Lower Mackenzie River; the Hare Indians, on the Mackenzie and Anderson Rivers; the Bad People, at Old Fort Halkett; the Slave Indians, west of Great Slave Lake; the Dog Ribs, between Great Slave Lake and Great Bear Lake; the Yellow Knives, north-east of Great Slave Lake; the Cariboo-Eaters, east of Lake Athabasca; the Montagnais or Chippewayans, of Lake Athabasca; and the Tsekehne, on both sides of the Rocky Mountains, under which term is included the Tsekehne proper, meaning the inhabitants of the rocks, the Beaver Indians, on the south side of Peace River, and the Sarcees, in Alberta. Beyond the northern limit of the Dené tribes, the Eskimo dwell in their ice-bound home, seeking companionship with none, and content to dwell in small settlements of less than one hundred souls.

In each of the tribes of Indians there are individuals of varied stature, tall men, well built, and dignified in manner, and diminutive persons, insignificant in appearance and of weakly constitution. The men are in general of medium height, thin and wiry, the dwellers in the mountains being smaller and hardier than the plain tribes, and the forest tribes contrasting favourably with those beyond the limit of vegetation. The women are below medium height, fleshy and healthy in appearance. Living in lodges and engagement in occupations out of doors induces a hardy constitution in both sexes, and they possess the power of physical endurance to a greater degree than the members of the white races. The colour of the skin varies from white to copper or reddish brown. The hair is smooth, straight, and black, men and women alike wearing it long. The tribes have their own peculiar methods of dressing the hair. The men in general have it longer, of heavier growth and finer in texture than the

women, caused, no doubt, from the fact that in youth the men spend much of their time in trimming and arranging it, while the women are kept busy at their domestic duties. The Plain tribes tie the ends of their hair in small bunches with sinew, wire, or thread; the men fasten a top-knot in front with a pin, though sometimes it is simply parted in the middle and braided, but there is not a comb or brush used for toilet purposes. Having filled the mouth with water, the dressing begins by squirting the water into the hands while sitting on the floor of the lodge, washing the face, and then slapping the head with the hands full of water. The hair is stroked until thoroughly wet, and, holding the ends in the hand, the fingers of the other are brought down smartly upon it, until it is separated with the sound of a whip. Various kinds of ornaments are fastened in the hair by the men, the women usually contenting themselves to follow one of the male customs of rubbing paint into the parting in the middle. The Dené tribes have a primitive comb made by fastening wooden pins with sinew. Modern articles of toilet are being introduced into the lodges as the result of the march of civilization westward and northward. Every male Indian of mature years keeps hanging to a string from his neck a pair of tweezers, for the purpose of removing superfluous hair from the lip, chin, and cheeks, as the Redman does not permit any hair to grow on his face. The teeth of both sexes are pearly white, small, and pretty, which must be attributed to their plain mode of living. The finger nails are allowed to grow long, and sometimes look hideous to those unaccustomed to such fancies.

The lodges or tents of the natives were made of the hides of the animals most abundant in the particular locality, the people on the prairies using the summer hides of the buffalo, the winter hides being sold for buffalo robes; while those living beyond the range of the buffalo had recourse to the hide of the moose or other large animal. The sedentary native erects a house of logs, the nomad builds a lodge. With the advent of the white man, the buffalo has disappeared, and the larger kinds of game have retreated to the mountains or the recesses of the forests, so that the nomads are compelled to make the lodge covering

of canvas or cotton. The lodge poles, ten or twelve in number and of varied length, according to the height of the lodge, having been fastened at the top, are stretched on the ground, assuming a conical shape, and the covering is placed on the outside of the poles, and fastened with pegs and stones to the ground. A hole, about a foot or so from the ground sufficient to allow an adult to pass through in a bent posture, serves as an entrance, and a flap of skin makes a door, the latter falling into position when let go, which explains the fact of an Indian never knocking at, and never closing a door until trained to do so. The women put up the lodges and take them down, which is done very quickly, especially in a time of excitement, and, when pitching the camp, the lodges are arranged beside the lodge of the chief, each band following the instructions of the minor chief. The chiefs direct the camping places while on a journey, the head-chief assuming control. Life in the camp is similar to life in a town or city, the rights of the individual and family being subservient to the rights of the community. Horses are extensively used by the southern Indians, who ride over the prairies, but farther north the boat displaces the horse to some extent in summer and the dog supplies his place in winter. Dogs in abundance are found in every camp; the mongrel types are the beasts of burden employed by the women in hauling firewood, the larger and better class being trained for winter use by the men.

Buffalo hunting and war were the sole serious occupations of the prairie tribes, until both disappeared through the westward advance of civilization, and agriculture on reserves has now become the chief means of support under the protection and direction of the Government. The mountain tribes, especially the Stoney Indians, hunted the buffalo, mountain sheep and goat, bear and various kinds of deer; the natives of the forests and lakes lived by hunting and fishing. The members of the Blackfoot Confederacy would not eat fish or wild fowl, and the northern tribes relished them very much. Food, climate, occupations, and the character of the country have exerted such an influence on the tribes that each differs from all the others in some phases of mythology and native religion, as in strength of intellect and

physical energy. The native of the mountains is more energetic, courageous, and religious than the dweller on the prairies, and the men of the forest differ from those who live on the lakes and inland rivers.

The infant of the lodge is placed within a moss-bag, made of fine, clean moss, put in a small blanket, and an outer garment—formed in the shape of a bag, ornamented with beads, coloured porcupine quills, or fine silk thread, which is laced up in front, so that nothing is seen but the face of the child—is fastened around it. The male children are more highly esteemed than the female, and it is considered a domestic calamity to have twins. The boys run about without clothing in the summer, except a rare blanket, until they are eight or nine years of age; but the girls, from infancy, are always dressed with a loose dress reaching to the feet. If they live in close proximity to water, the young folk spend a good part of their time in summer in swimming and diving, the movement of the hands in swimming being overhand, in dog fashion, so that they become quite expert in their action. Berries, cooked in grease, pounded and dried for future use; dried meat, and various kinds of roots and wild fruit; serve as food for the natives living among the hills of the west, with the addition of flour, tea, sugar, and the common food of the white folk; while farther north the wild game, fish, and flour become the staple articles for daily support. Ever since the buffalo were exterminated, and pemmican became a thing of the past, and the deer and wild animals that roamed the prairies and forests fled as civilization advanced, the natives have been compelled to buy at the trading posts and stores the kinds of food used by the white people.

The savage folk delight in personal adornments. Finger-rings, bracelets, and earrings are worn by both sexes; the materials used in making them varying with their stages of contact with civilization. So long as game is abundant, the teeth of the deer, the claws of the bear, and other parts of wild animals are worn in profusion; but with the advent of the white man, and the disappearance of the animals, the people resort to the trinkets of the trader, and beads and brass wire are made by the skill of the native worker into numerous

ornaments. Lip ornaments are worn by some of the natives in the far north. The tail feathers of the eagle are eagerly sought by the noble Redman as a welcome addition to his head-gear. In the days of aboriginal glory, the hides of the animals slaughtered in the chase were tanned by the women and made into beautiful garments for the men. The half-tanned hide, having the fur on, was simply thrown over the shoulders, then an advance was made by removing the fur, cutting the hide into the shape of a jacket, and decorating it with coloured beads, or silk or porcupine quills, so neatly arranged that the colours blended with the pattern. Cloth garments are now rapidly taking the place of the native kinds of dress. Head-dresses are worn on special occasions, but generally the head is bare. A thin shirt, leggings, breech-cloth, and moccasins comprise the dress of the average Redman. The women wear a loose gown reaching to the feet, with wide flowing sleeves, the garment having no opening in back or front, the sleeves being used for nursing the children. A leather belt, eight or nine inches wide, is fastened around the waist, a pair of leggings and moccasins, neatly ornamented with the articles for personal adornment, constitute the dress of the women. Some of the tribes tattoo themselves, the Cree and Eskimo women having chin ornaments. All the tribes paint their faces, the peculiar marks bearing their own signification. The language of colour has its special meaning among the medicine-men, and the civil relationships of the tribe.

Unusually hard is the lot of the native women. They are, however, contented and happy, and prefer their own style of living to that of the white people. The men and women have their own respective divisions of labour. The male division of labour consisted in hunting and fishing—the life of a nomad; while the women pursued the work of the agriculturist and the sedentary life—caring for the small piece of land which was home, getting wood and water, and attending to her domestic duties. Because of this division of labour, the male members of the tribes naturally feel that they are degraded when they engage in the occupation of farming, as they are doing the work of women. Regularity in cooking and eating is not to be expected in such an unsettled con-

dition of life. Three pieces of wood, broken from the branches of a tree and tied together, form a tripod, and a part of a branch, with a crook on each end, makes a primitive hook upon which to hang vessels for cooking. A piece of wood, with a sharp crutch on one end, is stuck in the ground near the fire, and this serves as a spit for roasting meat. There are usually three meals a day, morning, noon, and night, but the times for partaking are not very exact, the native eating when he is hungry, and spending little time over his meals. The husband is first served, and all the members of the family, seated on the ground, each in his accustomed place, dine with him. The dishes are wiped with a bunch of prairie-grass, either before eating or after the meal and before the utensils are put aside. Civilization has quietly been working changes, and the aborigines are slowly imitating the ways of the white folks. The women dress the hides, make moccasins and garments for their husbands and families, and some of these dusky wives and mothers tan the hides soft as chamois, and with coloured silk thread sew beautiful patterns on the soft leather.

When the maiden has reached the age of puberty she is married, according to the custom of the tribe, which is generally a paternal transaction, with the consideration of that which constitutes the wealth of the tribe, as a certain number of horses, for the bride. Courtship is not unknown, but it belongs to the young couple, the young man wooing the young woman. When the amount to be given by the young man or his friends to the father of the young woman has been agreed upon, and handed over, the young couple begin housekeeping. Such a simple ceremony made divorce easy, and whenever the wife or husband became tired of each other, the partnership was dissolved by seeking another mate. Polygamy has always prevailed among the tribes, and amongst some polyandry existed. After marriage the son-in-law has no dealings with his wife's parents. The children are beloved by their parents, and should the marriage relation be severed, the father takes possession of the children. Seldom is a child punished for any misdemeanour, and yet the children are obedient to their parents.

Blindness, induced by the smoke of the lodges and the paint on the face, is prevalent; diseases of the lungs carry off many of the young men; and diseases, begotten through immorality, have made havoc among the people. Smallpox swept away some thousands about 1870. Cases of insanity are found, the subjects being treated by their own families according to their knowledge. The medicine-men are the doctors and priests who heal the people of their bodily ills and intercede for them in matters spiritual. The medical priesthood has its forms of initiation by fasting, prayer, and a vision, with the ceremonies of fraternity, and in its grades power increases as the members rise in the scale of the priesthood. A medicine-man of the fourth degree is able to break the curse or spell thrown over the individual by one of the first degree. The medicine-bag of each of the members of the fraternity contains the infection-tube, the herbs in common use, with a few rare specimens known only to the possessor of the bag, and some amulets for warding off disease and imparting wisdom from the gods. The native practitioner indulges in incantations when treating his patient, the persons in the lodge helping him by singing songs to the gods to drive the disease out of the body of the sick one, and frequently he resorts to bleeding. A piece of glass serves for a lance, which he extracts with his teeth, and having sucked the blood with his mouth and performed some incantations, he pronounces the sick one healed. Some of the medicine-men are expert hypnotists and clever conjurors, excelling in tricks of sleight-of-hand. Medicine-women are sometimes found who are skillful medical practitioners, without being initiated as members of the medical priesthood. The sweat-bath is frequently resorted to as a means of curing disease. Strong and supple boughs of the willow are sharpened at the thick end and inserted in the ground in the form of a circle, and braided at the top, making a small hut from four to six feet in diameter and about three feet high, with an opening for the patient to crawl inside. Blankets and hides are placed over this sweat-house, and when the sick person has entered, heated stones are placed within, and a vessel of water is given to him. When he has removed all his clothing and every aperture is

closed, he pours the water on the hot stones, and the steam enveloping him causes the perspiration to run from every pore. The operation is continued until he is satisfied that the bath has been complete. All cases of midwifery are performed by the women.

The *taboo* of the native consists of certain kinds of food which must never be eaten, or is forbidden at special seasons. The source of this prohibition is found in their mythology—a belief that they are descended from the animal whose flesh must not be eaten, or that their ancestors or sex suffered pain, loss, or degradation through one of the animals.

Cremation was once practised among some of the tribes, with a potlatch as one of the customs attending burials. The prairie tribes wrapped the corpse in blankets or hides and placed it in the crotch of a tree, or a scaffold was erected about ten feet high on the prairie or in the bush and the corpse was laid upon it. A chief was buried on an eminence or in a secluded spot, selected apparently for beauty and impressiveness, and the body being placed on the ground a lodge was placed over it and securely fastened. Since the advent of the white man, small log houses are erected as a receptacle for the dead, or interment in the ground is practised. The northern tribes have similar practices, and hollow trees are sometimes used as coffins. When a person dies the lodge is removed, and the camp departs for a season to some more favoured spot, the people being afraid that the spirits of the dead might do them harm. Houses are sometimes torn down when some of the members of the families die. Believing in future life there are placed beside the dead various articles of food, tobacco and pipe, ornaments, bow and arrows, and some of the treasures of the deceased, as well as gifts from friends. In earlier years the favourite horse was shot, but the people are now contented by cutting a part of the mane, forelock, and tail off the animal. It is firmly believed that the *souls* of these articles accompany the deceased to the spirit land, where there is no substance, and all the spirits must live on spiritual things. The Redman's passion is gambling. Night and day he will sing and play as he throws the wheel and arrows, plays at *odd and even*, or some other

native game; or plays cards, indulges in horse racing, or drinks tea for a wager.

Singing is a favourite form of amusement. Sitting on the ground in a circle a group of men or of women, accompanied by two or three performers of the same sex beating vigorously on a drum, will sing harmoniously the native songs of love, until the weird notes borne upon the prairie breezes arouse the emotions of the listener. The social dance, with its queer manœuvres, consists of a series of jumps, contortions of the body, and shouts. The sexes do not intermingle in this amusement, the men and women having their own dances. A small band of performers beat upon drums with their sticks, and each dancer indulges in dancing to his heart's content, independent of the others, sitting down when tired, and dancing when rested. Musical instruments are made of hoops with pieces of tanned hide stretched over them to form drums or tambourines. Aboriginal music is of a primitive character, consisting of a few musical phrases repeated *ad infinitum*.

The western tribes are united in confederacies such as the Blackfoot confederacy, consisting of the Bloods, Piegiens, and Blackfeet; the Siouan confederacy, embracing the Stoney or Assiniboine and the branches of Sioux tribes scattered through the country; the Cree confederacy, including the Plain Crees, the Wood Crees, and the Muskegon or Swampy Crees; and the Ojibway confederacy. These might appropriately be termed sub-tribes, but as they occupy a position of apparent equality and there is no parent tribe in existence, it is better to name them as a united confederacy. The tribes are again divided into clans, gentes, bands, or septs, each having its own distinctive name. The native name belongs to the band and not to the chief. Among the Blood Indians clans are known as the *Tall Men*, the *Fish-Eaters*, *Camping in a Bunch*, and the *Sweaty People*. There were two head chiefs over the tribe; the peace chief, who was the civil officer, and exercised authority in time of peace; and the war chief, who was at the head of affairs in times of war. Each clan had a minor chief, and the chiefs met in council to decide all matters affecting the welfare of the people, individual and collective. Chiefs were elected partially on account of their



hereditary relationship, but chiefly for their ability and military prowess. Criers went through the camp sounding the praises of the candidates for office. Political organization is almost unknown among some of the tribes in the north, the tribes acting independently of each other, and the clans being united by social rather than political ties. Prominent persons of hereditary rank, somewhat resembling chiefs, now exercise authority in the clan, and perform the duties of civil officers, as maintaining peace in the settlement of disputes, guarding the interests of the people in the hunting grounds, and looking after the general welfare of the clan and tribe.

Tribal wars and individual wars were of frequent occurrence in the old buffalo days among the prairie tribes. Tribal wars arose from an invasion of the territory claimed by the tribe, the slaying of any member of the tribe, or the capture of any one, or a raid upon the horses which comprised their chief wealth. Individual wars consisted chiefly of small war parties making raids upon a camp to secure horses, women, or scalps. When it was decided to go to war the days were spent in preparing the arms and garments, and the evenings in dancing and feasting to propitiate the gods to give them success, and with great boasting of their valour and victories to beget courage. Although the party acted under the direction of a war chief or head warrior, each warrior fought independently. With the body painted in a hideous fashion, and the horses likewise painted, a belt of cartridges around the waist, a pair of moccasins on the feet, and a breech cloth around the loins, each warrior waited for the early dawn to rush, shouting the war-whoop, upon the foe. There was no order in the mode of attack, save that of reaching the weakest point of the defence of the enemy by stratagem, and then each one fought for himself. The slain, and sometimes the wounded, were scalped, and the scalps borne aloft on poles at the scalp-dance, and then placed on the outside of the victor's lodge as a medal to show his valour.

The elaborate system of totems of the Iroquoian and Siouan families is not in existence among the western and northern tribes. The personal and clan totem is not so well defined, but the totemic relationship is maintained. The tribes have a

native police, known as "black soldiers," for the maintenance of the laws and the support of civil government in the camp. By means of signals, using fires to convey intelligence by the smoke, a system of telegraphy is elaborated. By various methods of riding on horseback, motions by a blanket when on foot, and by the system of heliography, important information is conveyed speedily a long distance.

Native books are made by means of picture writing on rocks and trees, birch bark, hides of animals tanned, and on the outside of the lodges. Notable events have thus been preserved in relation to the tribes, and autobiographies have been written with a stick and paint. Unable, sometimes, to converse together on account of difference of language, the people of different tribes can still talk together through their sign language. There are several stocks of languages: the Algonquin, including the Ojibway; Saulteaux, Cree, and Blackfoot, with their dialects; the Siouan, embracing the Assiniboiné; the Santee, and other dialects; the Eskimauan; and the Athabaskan, known under the terms Dené and Tinné, and comprising the Chippewayan or Montagnais, the Loucheux or Kutchin, the Slave, Hare, Dog-Rib, Bad People, Yellow Knife, Cariboo Eaters, Beaver, and Sarcee languages. By means of syllabaries the Cree, Eskimo, and some of the Athabaskan tribes can learn in a few days to read any book published in their own tongue. There is quite an extensive native literature in use among the tribes, consisting chiefly of religious books translated by missionaries. Grammars and dictionaries of nearly all the languages are also in existence.

The native religious belief includes the idea of a Great Spirit, Great Sun, or a Supreme Being under another term; a secondary creator, who makes the earth, man, and the animals, with all things necessary to their subsistence; a flood, which, however, precedes the creation of the world; the existence of sin, with the need of fasting and sacrifices; a future state, and the immortality of the soul. Myths, beautiful and suggestive, are found among all the tribes, including the Two Brothers. Religious festivals, as the Sun dance among the Blackfeet; and the Thirst dance among the Crees, indicate a religious spirit. The

prairie tribes are located on reservations, under the care of agents and farm instructors appointed by the Government. Industrial and boarding schools have been erected, and are maintained for the instructing of the young of both sexes in useful trades, and day schools are open on the reservations. Missionaries have gone even within the Arctic Circle to bear the message of love to the aborigines. Protestant and Roman Catho-

lic teachers and missionaries, scholarly men who would dignify any office in the gift of civilized society, are thus to be found studying the languages, preparing books for the use of the natives, compiling grammars and dictionaries, preaching in the native tongue, dispensing medicine, doing all descriptions of manual labour, living in the humblest habitations, and partaking of the simplest fare.

**There have been innumerable theories as to the origin of the North American Indian, and the probabilities are that he is the product of some distant Asiatic migration.** Mr. James Hannay is of this opinion, and in his *History of Acadia* expresses the belief that America has been inhabited from the remotest ages; that for many centuries before its discovery civilized communities and savage tribes dwelt side by side; that from time to time immigrants arrived from Asia by way of Behring Straits—which are only thirty-six miles in width—or by the Aleutian Islands, which present an almost continuous chain of land from Asia to America; that while an interesting civilization had grown up in some portions of America, adventurers or castaways from India, or from other portions of Southern Asia, brought to its shores some knowledge of the religion and of the arts of the ancient continent. But the question as to how America was first peopled can only be really solved by the study of a condition of affairs which has long ceased to exist, and it still remains one of the problems which philosophy and science have left undetermined:

"The Red Indians of America, instead of being the broken and scattered remains of nations formerly civilized, appear rather to be a race of men who attained the highest state of advancement which it was possible for a race of hunters to reach with such implements as they possessed. Although savages in their mode of life, they were savages of the highest type, veritable Romans in spirit, eloquent, brave, and honourable, with some of the highest qualities and virtues of civilization. Their contact with white men has not improved them in a moral point of view, although it has given them better weapons and more comfortable clothing. Even in the last respect their advance has not been so great as might be supposed. The

axe of iron has indeed replaced that of stone, the rifle has supplanted the bow and arrow, but modern ingenuity has not been able to devise a better vessel for the uses to which it is applied than the bark canoe, a more effectual means of ranging the winter woods than the snowshoe, or a more comfortable covering for the feet than that most perfect of all shoes, the Indian moccasin."

**About the origin of the Aborigines,** Daniel G. Brinton of Philadelphia, an American writer of some authority, speaks interestingly in an elaborate volume issued by the Census officials of the United States in 1890. In referring to those whom we familiarly call "Indians"—a designation which perpetuates the error of the early explorers who thought this western land was a part of India—he says: "I think that America was peopled during, if not before, the great Ice age; that its first settlers probably came from Europe by way of a land connection which once existed over the northern Atlantic, and that their long and isolated residence on this continent has moulded them all into a singularly homogenous race, which varies but slightly anywhere on the continent, and has maintained its type unimpaired for countless generations. Never at any time before Columbus was it influenced in blood, language, or culture by any other race. So marked is the unity of its type, so alike the physical and mental traits of its members from Arctic to Antarctic latitudes, that I cannot divide it any other way than geographically, as follows: 1, Arctic group; 2, North Atlantic group; 3, North Pacific group; 4, Mexican group; 5, Interisthmian group; 6, South Atlantic group; 7, South Pacific group. All the higher civilizations are contained in the Pacific group, the Mexican

really belonging to it by derivation and original location. Between the members of the Pacific and Atlantic groups there was very little communication at any period, the high Sierras walling them apart; but among the members of each Pacific and each Atlantic group the intercourse was constant and extensive. The Nahuas, for instance, spread down the Pacific from Senora to the straits of Panama; the Inca power stretched along the coast for 2,000 miles; but neither of these reached into the Atlantic plains. So with the Atlantic groups; the Guarani tongue can be traced from Buenos Ayres to the Amazon, the Algonquin from the Savannah River to Hudson Bay; but neither crossed the mountains to the west. The groups, therefore, are sultural as well as geographical, and represent natural divisions of tribes as well as of regions."

When the white man first encountered the Indians there can be no doubt as to the latter's kindly feeling toward the intruders. Columbus found this to be the case, and "The first Relation of Jacques Cartier, 1534," further illustrates the fact: "In St. Martin's Creek," says the discoverer, "we saw a great number of the wild men; they went on shore, making a great noise, beckoning us to land, showing us certain skins upon pieces of wood, but because we had only one boat we would not go to them, but went to the other side. They, seeing us flee, followed, dancing, and making many signs of joy and mirth, as it were desiring our friendship, saying in their tongue, 'Napeu tondamen assurtah,' with many others that we understood not. But we having but one boat would not stand to their courtesy, but made signs to them to turn back, but with fury they came about us and we shot off two pieces among them and terrified them. The next day they came to traffic with us. We likewise made signs to them that we wished them no evil, and two of our men carried to them knives, with other ironware, and a red hat for their captain. They seemed very glad to have our ware and other things, and came to our two men, still dancing, with many other ceremonies. They gave us whatsoever they had, not keeping anything, that they were constrained to go back again naked, and made signs that the next day they would bring

more skins." In this description are other similar accounts, and Cartier took with him to France two sons of a native chief, by the consent of the father. In the next year he went again to Canada with the two Indians safe, and met with people throughout the country equally well inclined to friendly intercourse. At Hochelaga "all the women and the maidens gathered themselves together, part of which had their arms full of young children, and as many as could came to rub our faces, our arms, and what part of the body they could touch, showing us the best countenance that was possible, desiring us, with signs, that it would please us to touch their children. . . . As far as we could perceive and understand this people it were an easy thing to bring them to some familiarity and civility, and to make them learn what one would. The Lord God for His mercy's sake set thereupon His helping hand when He seeth cause."

In the first Report of Sir Walter Raleigh's expedition to Virginia it is also stated by his captain and followers, in 1584, that they "were entertained with all love and kindness, and with as much bounty (after the manner of the natives) as they could possibly devise. They found the people most gentle, loving, and faithful, void of all guile and treason, and such as live after the manner of the golden age." The Report says further that "There came to us Granganimeo, the king's brother, with forty or fifty of his people. When we came to the shore to him with our weapons he never moved from his place, nor even mistrusted any harm to be offered from us, but sitting still he beckoned us to come and sit by him, which we performed, and being seated he made all signs of joy and welcome, striking on his head and breast, and afterwards on ours, to show we were all one, smiling and making show the best he could, of all love and familiarity. A day or two after this we fell to trading with them, exchanging some things that we had for chamois, buff, and deerskins. He afterwards brought his wife with him to the ships, his daughter, and two or three children. His wife wore pearls in her ears, whereof we deliver your worship a little bracelet. Granganimeo was very just of his promise, for many times we delivered him merchandise upon his word, but ever he came within the day."



TECUMSEH.



A settlement was made here, but the settlers seem to have soon outraged the rites of hospitality so bountifully shown to them. Within two years after the date of the Report, Sir Francis Drake touched upon the same coast, where he found the colony in deep distress, and almost despairing of relief. Sir Francis consented to leave two or three ships with them, so that they might come away in case of urgent necessity. But a storm arising drove most of the fleet suddenly to sea. "Those on land perceiving this hastened to those three sail which were appointed to be left there, and for fear they should be left behind they left all things confusedly, as if they had been chased from thence by a mighty army. And no doubt so they were, for the hand of God came upon them for the cruelties and outrages committed by some of them upon the native inhabitants of that country." This latter statement is by Hakluyt, Prebendary of Bristol, an earnest supporter of the early colonists, and the faithful compiler of their histories.

**The Cruelty of the Indian is a frequent and natural theme for the historians of our alien race.** There has been no Indian pen to trace fully and accurately the history of their varied tribes and strange nationalities, their complex customs and institutions. As time goes on, however, and they recede into the dim vistas of a distant past, justice will be more and more done to the many great traits in their naturally barbaric characters, and to the noble deeds of warriors and chiefs whose environment of superstition and ignorance was almost sufficient in itself to destroy every honourable or manly instinct. The Rev. Dr. Egerton Ryerson in his volumes upon "The Loyalists of America and their Times" very justly points out similar considerations, and uses as his authority an American work, "Brant and the Border Wars of the Revolution," by W. L. Stone. As he well says, the spoilers of the Indian have been his literary executors, and although a reluctant assent has been awarded to some of the nobler traits of his nature, yet, without yielding a due allowance to the peculiarities of their situation, the Indian character has been presented with singular uniformity as being cold, cruel, morose, and revengeful; unrelieved by any of those varying traits and

characteristics, those lights and shadows which are admitted in respect to other people who have been no less wild and uncivilized. Nor does it seem to have occurred to these pale-faced writers that the particular cruelties, the records and descriptions of which enter so largely into the composition of the earlier volumes of American and Canadian history, were not barbarities in the estimation of those who practised them. The scalp-lock was an emblem of chivalry. Every warrior shaving his head for battle was careful to leave the lock of defiance upon his crown, as if for the bravado: "Take it if you can." The stake and the torture were identified with their rude notions of the power of endurance. They were inflicted upon captives of their own race as well as upon whites; and with their own braves these trials were courted, to enable the sufferer to exhibit the courage and fortitude with which they could be borne—the proud scorn with which all the pain that a foe might inflict could be endured.

But it is said that they fell upon slumbering hamlets in the night and massacred defenceless women and children. This, again, was their own mode of warfare, as honourable in their estimation as the more courteous methods of committing wholesale murder laid down in our own military books. "In regard," says Mr. Stone, "to the countless acts of cruelty alleged to have been perpetrated by the savages, it must be borne in mind that the Indians have had no writer to relate their own side of the story. The annals of man, probably, do not attest a more kindly reception of intruding foreigners than was given to the Pilgrims landing at Plymouth by the faithful Massasoit and the tribes under his jurisdiction. Nor did the forest kings take up arms until they but too clearly saw that either their visitors or themselves must be driven from the soil which was their own—the fee of which was derived from the Great Spirit. And the nation is yet to be discovered that will not fight for their homes, the graves of their fathers, and their family altars. Cruel they were in the prosecution of their contests, but it would require the aggregate of a large number of predatory incursions and isolated burnings to balance the awful scene of conflagration and blood which at once extinguished the power of Sassacus, and the brave and indomitable Nar-

ragansets over whom he reigned. No! Until it is forgotten that by some Christians in infant Massachusetts it was held to be right to kill Indians, as the agents and familiars of Azazel; until the early records of even tolerant Connecticut, which disclose the fact that the Indians were seized by the Puritans, transported to the British West Indies, and sold as slaves, are lost; until the Amazon and LaPlata shall have washed away the bloody history of the Spanish American conquest; and until the fact that Cortez stretched the unhappy Guatimozin naked upon a bed of burning coals (or General Sullivan's devastation of the Six Nation Indians) is proved to be fiction; let not the American Indians be pronounced the most cruel of men."

In one of his Essays Benjamin Franklin offered same considerations regarding the Indians which are well worthy of remembrance, and of special application to those of Canada. He points out that the Indian men, when young, were hunters and warriors; when old, counselors; that all their government was by the counsel or advice of the sages; that there was no force, there were no prisons, and no officers to compel obedience, or inflict punishment. Hence they generally studied oratory, the best speaker having the most influence. The Indian women tilled the ground, dressed the food, nursed and brought up the children, and preserved and handed down to posterity the memory of public transactions. These employments of men and women were accounted natural and honourable. Having few artificial wants they had abundance of leisure for improvement in conversation. Our labourious manner of life, compared with theirs, they esteemed slavish and base, and the learning on which we value ourselves they regarded as frivolous and useless.

An instance of this occurred at the Treaty of Lancaster, in Pennsylvania, in 1744, between the government of Virginia and the Six Nations. After the principal business was settled the Commissioners from Virginia acquainted the Indians in a speech that there was at Williamsburg a college, with a fund for educating Indian youth, and that if the chiefs of the Six Nations would send down half a dozen of their

sons to that college the Government would take care that they should be well provided for, and instructed in all the learning of the white people. It has always been one of the Indian rules of politeness not to answer a public proposition the same day that it is made; they think it would be treating it as a light matter, and they show it respect by taking time to consider it, as being an important matter. They therefore deferred their answer till the day following, when their speaker began by expressing a deep sense of the kindness of the Virginia government in making them the offer:

"For we know," said he, "that you highly esteem the kind of learning taught in those colleges, and that the maintenance of our young men while with you would be very expensive to you. We are convinced, therefore, that you mean to do us good by your proposal, and we thank you heartily. But you who are wise must know that different nations have different conceptions of things, and you will therefore not take it amiss if our ideas of this kind of education happen not to be the same with yours. We have had some experience of it. Several of our young people were formerly brought up at the colleges of the northern provinces, they were instructed in all your sciences, but when they came back to us they were bad runners, ignorant of every means of living in the woods, unable to bear either cold or hunger, knew neither how to build a cabin, take a deer, or kill an enemy, spoke our language imperfectly, were therefore, neither fit for hunters, nor for counselors; they were totally unavailing. We are not, however, the less obliged by your kind offer, though we do not accept of it, to show our grateful sense of it, if the gentlemen of Virginia send us a dozen of their sons we will take great care of their education, instruct them in all we know, and *make men of them*."

**The Land Question was always an important one to Canadian Indians, though not, as in the United States, a constant source of serious trouble and bloodshed. About 1796, the Iroquois, who had become in great measure civilized, wished to dispose of portions of the large tract of territory given them after the Revolutionary War (retaining enough to cultivate), and to raise a fund by the sales as an annuity for their future comfort.**

Captain Joseph Brant—Thayendanegea—their principal Chief, who resided near them, and who, from his influence and intelligence, took a promi-



nent part while he lived in all their transactions, was by a solemn act in council appointed the agent or attorney of the Six Nations to negotiate with the Government for the making of some arrangement in this direction.

The principal chiefs and warriors, acting for the tribes, executed on November 2, 1796, a formal power of attorney which authorized Captain Brant to surrender into the hands of the Government certain portions of the lands possessed by them, and for which they had found, or intended to find, purchasers, so that His Majesty, thus holding these portions of their lands relieved from the pledge which had been given for their exclusive possession, might make a clear and free grant, in fee simple and by letters patent, to such persons as the Indians might agree to sell to. This method of proceeding was clearly in accordance with the nature of the tenure under which the Six Nations held their land and seemed as wise a method as could be devised for protecting their interests, and guarding them against hasty or indiscreet sales.

The tract which Captain Brant was authorized to surrender was described in the power of attorney referred to, and was stated to contain three hundred and ten thousand three hundred and ninety-one acres.

Authority was also given to Captain Brant, after the passing of such grants, "to ask and receive such security or securities, either in his own name or the names of others to be by him then and there nominated, as he or they might deem necessary, for the securing the payment of the several sums of money that should become due and owing from the purchasers, and likewise to receive all such sums of money as should be due and owing therefor, and to give acquittances in as full a manner as all his constituents (the Indians of the Six Nations) could do if personally present." Under this authority, it is supposed with the perfect knowledge and approbation of the Indians, sales of very large tracts were effected by Captain Brant; and on February 5th, 1798, pursuant to the power delegated to him, he executed in the name of the chief warriors of the Iroquois a formal deed surrendering their possession of such parts of the said lands as are mentioned below, beseeching that His Majesty would be pleased to grant

the same in fee simple to the persons named, who were to pay the sums stated as a consideration for the same.

By this document it was specified that Block No. 1 (now forming the Township of Dumfries), containing about 94,305 acres, was sold to P. Steadman for £8,841; that Block No. 2, containing 94,012 acres, was sold to Richard Beasley, James Wilson and John B. Rosseau for £8,887; that Block No. 3, containing 86,078 acres, was sold to William Wallace for £16,364; that Block No. 4, no purchaser or price named, contained 28,512 acres; that Block No. 5, containing 30,800 acres, was sold to the Hon. W. Jarvis for £5,775; that Block No. 6, given originally to John Dockstader, and containing 19,000 acres, was by him sold for the benefit of his Indian children to Benjamin Canby for £5,000. The total was 352,707 acres, valued at £44,867 sterling.

The making of these contracts with the individual purchasers, and the fixing of the consideration, were therefore the acts of the Indians themselves, either arranged in their councils or negotiated by their fully authorized agent. The Government of Canada seems merely to have assented to the general measure, and to have given its sanction and assistance in the conviction that it would be beneficial to the Indians generally. It appears, however, in communications received by Mr. President Russell of Upper Canada, from the Duke of Portland, then Secretary of State for the Colonies, that the Imperial Government were not without extreme reluctance brought to give their sanction to these transfers of land, and in one of these despatches it is plainly declared that the previous sanction of His Majesty must be received before any similar negotiation would be entertained in future. It would have been better for the Indians had the Duke of Portland's advice been followed, and the British Government been the purchaser at the same price as the Indians were willing to sell to individuals for. They had, however, an able representative in Thayendanegea, and in the end much of the money was obtained and now stands at the credit of the Six Nations.

**The Micmac tribe of Indians in Nova Scotia** is of more historic than present importance. The following account of its customs and history

was written by Dr. J. Bernard Gilpin, B.A., M.R.C.S., in 1877, and cannot well be improved upon for conciseness and completeness: "We find that as early as the sixteenth century the shores of Nova Scotia were frequented by fishermen of various nations, and in greater numbers than is usually supposed. Thus when Les Carbot, in 1609, gives us his minute descriptions of the Indians two or three generations must have then passed since the Iron Age had commenced its operations on the races of the stone period. Iron knives and axes, the steel and flint with its great powers of carrying fire everywhere, and coarse potteries and beads must have begun to modify their habits. The ancient arrow-maker must have ceased his art; the son must have used an axe foreign to his father, and the squaw commenced to ornament her skins with French beads instead of small shells. The first name by which they were called by the French is Souriquois or Sourique. This name seems almost identical with Iroquois, Arramouchiquois, and Algonquin.

It is probable the Micmacs, as we now call them, were a set-off from the great Algonquin race, who extended from Canada to the extreme west, but set off for so long a period of time as to lose a common dialect. While our Indians from the earliest date used the language common to Canada, they could not understand the Arramouchiquois, or those who lived in what is now called New Hampshire and Massachusetts. In the year 1609, the French living at Port Royal, Nova Scotia, estimated their numbers at between 3,000 and 4,000 souls. This included Cape Breton and Prince Edward Island. This, by the usual calculations, would make between 500 and 600 adult or fighting men. They were clothed in skins of bear, otter, beaver, and fox, and the larger skins of elk and deer. They had learned the art of softening and taking the hair off the larger ones. In summer their clothing was a girdle around their waists, on which was fixed a skin that went between the legs, and was attached again to the girdle behind. A cloak of skins was hung around the neck, with a loose cape hanging back from the shoulder. Usually the right arm was exposed. In winter they made sleeves of beaver skins, tied at the back, and long hose of the same, tied to the

girdle around the loins, and their feet were covered with a buckskin of untanned leather drawn into plaits in front—the present moccasin. The women wore the same dress, with the exception of a tight girdle around the cloak. In camp the men wore nothing but the waist leather. They had no covering for their heads, using the loose cape of their cloaks as shelter in winter.

The hair was worn long, cut short in front, and sometimes trussed on the top or behind by a feather or pin. For ornaments they seem to neither have been painted nor tattooed, but to have made strings of black, wooden beads, and pieces of white shells. The quills of the porcupine were also dyed with bright colours, and formed into plats and squares. The men cared but little about these things, but they wore knives at their breasts. These people, thus clothed, lived in movable wigwams, a conical tent made of birch bark, fastened around poles tied at the top, and at the bottom encircling an area of about twelve feet in diameter. During summer they pitched them at the seaside or on lake borders; in winter they retired to the forest. In the short summer they lived upon fish, and during the long winter when the fish had retired from the shore they hunted the elk and reindeer. They, when at war and expecting an attack, made a palisaded fort, by taking a square of living trees, thickening up the spaces with poles and brushwood, and leaving but one place of entrance, and building their camps or wigwams within it, thus contriving a rude fortification.

In a print of the period from Champlain, of the palisaded forts in Canada, the structure is much more elaborate, and built of hewn timber, but Les Carbot distinctly asserts that those Indians never felled trees, not even for firewood. The few household utensils they possessed were of wood, stone and horn, or bone. They had pots of a very coarse baked pottery, and stone axes and mallets, knives and gouges. Deers' horns and bone were also used; and from a recent deposit at Lunenburg we find copper knife blades and needles made from the native copper of the Bay of Fundy, hammered into shape. They also had the beautiful racquet or snow shoe, that has come down to us unaltered. These simple utensils, with their skins and furs, and the boat or

canoe that transported them from sea-coast to lake side, formed all their wealth. They had already acquired the habit of smoking; and though they did carve their pipes sometimes into forms of animals, yet the usual pipe was a stone hollowed at one end into a pan, into which they stuck a quill or hollow reed. In their wars they used clubs, bows and arrows, and shields, and lances or spears headed with stone. These wars were carried on with much forethought and energy. Membertou, the old Sagamos at Port Royal, brought men from Miramichi and St. John's River, and made a rendezvous with his own from Nova Scotia, at Grand Manan, before attacking the tribes that resided in what is now called Massachusetts. They brought home the heads of their enemies, which they embalmed and hung about their necks in triumph, but there is no mention of scalping.

As they had no letters they could have no laws, save traditions. The Sagamos usually settled all disputes. A man of many friends was unmolested, for he had many to avenge him, but a slave or a prisoner with no friends fared badly. Polygamy was allowed rather than practised; and though they had little regard for chastity yet there seems to have been no jealousy among them. Their care for their parents, fondness for their children, and general hospitality must make all amends. As regards religion, an obscure belief in some future state was their only creed, some medicine men their only priests. And now we can form some idea of these men of the stone period as they were about insensibly to fall beneath the iron age. A well-fed, light-footed, clay-red race, with beardless face and shock of black hair, fish and flesh eaters, reaping no harvest save from forest and sea, having neither letters nor laws nor settled habitations, yet either in friendship or war having relations five hundred miles at least with their neighbours on either side.

This ends the first stage, the stone period, or pre-historic age of the Micmacs. About two hundred and seventy years ago, or the beginning of the seventeenth century, the age of iron came down upon them. They came under the influence of the French, who held them for one hundred years, and whose kind and mild government may

be called their French age. During this period they must insensibly have cast off their coats of skin and clothed themselves in woollen clothes. They ceased to war with themselves, they pointed their weapons with iron instead of stone, or exchanged them for muskets; but they still remained living in wigwams, wandering from sea to forest, and generally connecting themselves with the French fishing stations and ports, where they bartered skins and furs for bread and tobacco, and other things which they were fast learning to call the necessaries of life. We have no records of this period, but from incidental remarks from time to time of various writers, we learn that the kind relations existing from the first betwixt them and their masters never altered.

Thus, kindly and gently the French held the Micmacs for one hundred years. In 1710, Subercase, the French Governor at Port Royal, now Annapolis, surrendered it and all Acadia to the English. From that date French government ceased, as regards the Micmacs, from amongst them. The cruel Indian wars that had been raging for more than fifty years so near them that it has been said that there was no man of forty but had seen twenty years service on the borders of New England, were now to set in upon Nova Scotia.

After the conquest of Nova Scotia the English Governors held but feeble sway at Annapolis, and their out-ports at La Hève, Horton and Canseau. The neutral French played into the hands of the openly hostile Indians, and they were both influenced by the French Governors of Quebec. The lives of the English Governors seem to have been perpetually harassed by the Indians who were incited to their acts by emissaries, chiefly from Quebec. M. Gaulin, missionary (Letter from Placentia, 5th of September, 1711), boasts: "To take away all hope of an accommodation, he induced the savages to make excursions upon the English." During this same year an ambuscade of Indians destroyed the whole force of eighty men, killing outright thirty men, the fort-major and engineer, and making the rest prisoners. This happened twelve miles up river from the fort, and so encouraged Gaulin that he immediately invested the fort (Port Royal) so closely that the garrison could not appear upon the ramparts.

This garrison is said to have lost in seven months, by sickness and sorties, 350 men. Surprisals also were made by the Indians on fishing vessels and fishermen on the sea-coast, at Yarmouth, at La Hève, and at Canseau. Few people now imagine the terror of their name at that date, or fancy that a few scattered savages could do as much mischief. "Queen Anne may have the meadows, but we have the forest, from which nothing can drive us," was their open boast, as well as the reason of this power.

Their inroads seem to have been made with varying frequency from 1710 to 1761. They then languished for awhile; but when it was seen by the French that England, by the founding of Halifax, was in earnest in settling the Province. Annapolis was again invested by the Indians, and a sergeant and two men killed. Another missionary, not Gaulin, but La Loutre, the darkest figure of the many dark men that vexed the times, boldly led the assault of his French and Indians against the crumbling walls of old Port Royal, then defended by the veteran Mascarene. Unsuccessful, stained by the murder of Captain Howe, denounced by the French officers, and by his superior the Bishop of Quebec, he disappeared from the scene, tradition says to die a life-prisoner in an English fortress.

Dartmouth was also assaulted, and murders and robberies committed at Windsor and other parts. The Governors were of late in the habit of taking hostages for their good behaviour, which kept them quiet for some time. Haliburton says of these times: "The number and ferocity of the Indians, and the predatory habits in which they indulged, rendered them objects of great attention and concern to the local government." In 1761 a formal treaty of peace with the Indians was signed at Halifax, and the hatchet buried. Quebec having already fallen, the Treaty of Paris crushed for ever these bloody scenes.

My first knowledge of the Indians began in 1831. At that period they all lived in neat birch-bark wigwams—a house was a very rare exception; and they all, both women and men, were clothed in coarse blue cloth. The men were in blue frocks with scarlet edges upon the shoulders and upon the arms. A scarlet or gay-coloured sash bound this to their waist, at the back of

which hung a tobacco pouch of moose skin. They wore, also, knee-breeches and long gaiters of the same, blue, with the selva edge left long, and ornamented with scarlet. The stocking was a long roller of blanket, wound from the toe to the knee. A silver brooch of the size of a large watch, usually held the frock at the neck; and the foot was covered by an untanned moccasin. The hair was worn very long. A beaver hat on great occasions, but usually a straw hat or red cap, surmounted a huge mass of unkempt locks.

The women wore a high-pointed cap of blue cloth, often ornamented with scarlet cloth and white beads; a short gown and petticoat reaching to the knee, with a gaiter trouser, and the selva edge left loose to the ankle. In cold weather a blanket was worn over the head, and always brought square across the back. This pleasing dress, in which we recognize the hunting frock of all North America, whether it be the deer-skin shirt and leggings with the fringes of the far west Indians, or the frock of the old continental rifleman, we infer was their habit from the time they ceased to wear skins. The continual mention of coarse scarlet and blue serges by the French, the bales of blue cloth in the English treaties, and the bills of the same furnished to them by Government in our own times, are ample proof.

I have now brought the Micmac from his stone or pre-historic age and his French age to our own time, and it remains to give his present condition. Estimated in early French times at between three and four thousand souls, and that including Prince Edward Island, we find them at the next authentic record (Judge Monk's Return, 1808) as from three hundred and fifty to four hundred fighting men. This would make about two thousand souls, making a decrease of something more than fifteen hundred in two hundred years. In 1842, Mr. Howe returns them at fourteen hundred and twenty-five. The last census makes them 1706.

Their summer camps are still as of old. Clothed like ourselves, with a boot keeping the feet dry, and sleeping warm and dry, they cannot retain the old instinctive adhesiveness of race, or the ancient consumptions and palsies that formerly decimated them. Ever minding all these changes and these ceaseless influences on their

moral and physical condition, we will describe the Micmac Indian of the present hour. His stature is below the medium; slight, carrying his shoulders overhanging, forward, and high; his limbs light, and extremities small; the tibia or shin-bone well curved, but this curve is high in the bone and forward as well as outward; and springing, as it does, from the high bony arch of a very clean instep, has the grace of fitness and beauty which is not found when the curve is near the ankle and the instep flat. This beauty, which was formerly brought out by the tight gaiter and moccasin, the fisherman's heavy boot is fast destroying, and the loose trouser with its baggy knees hiding from sight. He is beginning to turn his toes outwards. Even the Indian squaw, who once stole so softly on you with her parrot-toed foot, fringed to the ground like her native grouse, now flaunts with outward toe a crimson-topped high-laced boot. He wears his hair cropped now, which brings still more in relief the small and narrowed skull, high and broad cheek-bone, high frontal ridges, and square, heavy jaw-bone of the red man, or Mongolian type.

If we look in the children and women, we find the oblique eye of the same race; but in the adult the continual exposure has caused the muscles of the orbit, drawing and puckering around the eye for its defence, to draw down the corners. The nose sometimes approaches to the Roman, but always has wide nostrils; the mouth large, with the upper lip convex, and the chin retreating. In the women and children the mouth is the worst feature, being large, unmeaning, and often open—the greater force in man giving it stronger expression. The eye is dark, oblique, and small, and rather intelligent than bright. The French called their colour olive. This now could scarcely be true. We miss the richness of the olive. The men were almost a clay yellow, and it is only in the women and young we find a reddish tint, or coloured lip or cheek."

**The Indians of British Columbia**, who number about 35,000, are being steadily raised in the scale of civilization, though it is too often through preliminary steps of degradation at the hands of low-class whites. Dr. Powell, in his Report of 1873, describes the coast Indians as particularly suscep-

tible to these influences, while those of the interior—the Shuswaps—are a decidedly superior race. Many missionaries, however, are working amongst them, and about one-third belong nominally to the Catholic Church while probably a quarter more are Protestants. Their morals are not always good, and gambling is a frequent vice amongst them, but they are good workers as a rule, and in the early Seventies nearly all the exports of the province in furs and fish oils were credited to the Indians. They are chiefly engaged in farming and fruit culture, fishing and canning, hunting and trapping, and a Departmental Report in 1890 describes their course as marked by "manly independence, intelligent enterprise, and unflagging industry."

The houses of some are said to be superior to the habitations of fairly well-to-do white people; while "flower gardens, house plants, and, in some cases, luxurious and ornamental articles of furniture make their homes very attractive." Good work has been done for many years by the missionaries in elevating the moral tone of the Indian, and the labours of the Catholic priests have been especially beneficial. Speaking of a most impressive religious celebration held by Bishop Durieu, "at which over a thousand Indians of different tribes were assembled," the Indian Superintendent for British Columbia, in his Report for 1890, stated that "It would have been impossible to find any such concourse of people more orderly and devotional than were these Indians, gathered together from distant places, who doubtless years ago came in contact but to war with one another, and who, not so long since, were imbued with the most cruel and heathenish superstitions."

**The Indian Tribes of the Canadian and American Yukon District** and the adjacent portion of British Columbia, are a peculiar people. Dr. George M. Dawson, then assistant director of the Geological Survey of Canada, dealt with them at length in the Annual Report for 1887, and the following particulars are taken from his description of their history and location:

"Throughout the more southern portions of British Columbia a difference of the most marked kind is everywhere found as between the maritime Indians of the coast and the inland tribes. While this difference is largely one of habit and mode

of life, it is also almost everywhere co-incident with radical differences in languages; the natural tendency to diversity as between coast-inhabiting fishermen and roaming hunters being intensified and perpetuated by the great barrier of the Coast Ranges. Only upon certain routes of trade, which have existed between the coast and the interior, is this striking diversity to some extent broken down. The Fraser, the Skeena, the Nass, and, in the region here specially referred to, the Stikine, and the passes at the head of Lynn Canal, constitute the most important of these routes.

From Dixon Entrance northward, with the exception of certain small outlying colonies of the Haida on Prince-of-Wales Island, the Coast Indians are undoubtedly Thlinkit, forming a series of contiguous and more or less closely allied bands or tribes, between which the diversity in language is small. The inland Indians, on the contrary, belong to the great Tinnè family. On the Stikine, as explained below, a certain overlapping of these two races has occurred; and to the north, the Tagish, a branch of the Thlinkit, extend a considerable distance inland into the basin of the Lewes, as now first ascertained. The interior Indians are collectively known on the coast as "Stick Indians," and the fact that this name is also applied to the Tagish, in consequence of their situation and habits being like those of the Tinnè, explains the circumstance that they have heretofore been confounded with that people.

The region included between the Coast Ranges and the Rocky Mountains, to the south of that here reported on, and in which are the head waters of the Skeena, Fraser, and Peace rivers, is inhabited by two great divisions of the Tinnè people, designated on the ethnological map of British Columbia, prepared by Dr. Tolmie and myself, in 1884, as Takulli and Sikani. These main divisions comprise a large number of small tribes or septa. Since the publication of the map I have ascertained that these divisions are known to the people themselves as Tahkil and Al-ta-tin respectively. The division of the Tinnè met with on ascending the Stikine is named Tahl-tan, and consists of the Tahl-tan people proper and the Taku. These Indians speak a language very sim-

ilar to that of the Al-ta-tin, if not nearly identical with it, and, so far as I have been able to learn, might almost be regarded as forming an extension of the same division. They appear to be less closely allied by language to the Kaska, with which people they are contiguous to the eastward.

The Indian village near the Tahl-tan, or First North Fork of the Stikine, is the chief place of the Tahl-tan Indians, and here they all meet at certain seasons for feasting, speech-making and similar purposes. The Tahl-tan claim the hunting ground as far down as the Stikine; coastward, the mouth of the Iskoot River; together with all the tributaries of the Iskoot, and some of the northern sources of the Nass which interlock with these. Their territory also includes, to the south, all the head waters of the main Stikine, with parts of adjacent northern branches of the Nass. Eastward it embraces Dease Lake, and goes as far down the Dease River as Eagle Creek, extending also to the west branch of the Black or Turnagain River. It includes also all the northern tributaries of the Stikine and the Tahl-tan River to its sources.

The Taku form a somewhat distinct branch of the Tahl-tan, though they speak the same dialect. They are evidently the people referred to by Dall as the Tah-ko-tin-neh. They claim the whole drainage basin of the Taku River, together with the upper portions of the streams which flow northward to the Lewes; while on the east their hunting grounds extend to the Upper Liard River, and include the valleys of the tributary streams which join that river from the westward. They are thus bounded to the south by the Tahl-tan, to the west by the Coast Taku (Thlinkit), to the north-west by the Tagish, and to the east by the Kaska.

The territorial claims of the Tahl-tan and Stikine Coast Indians (Thlinkit) overlapped in a very remarkable manner, for while, as above stated, the former hunt down the Stikine valley as far as the Iskoot, and even beyond that point, the latter claimed the salmon fishery and berry-gathering grounds on all the streams which enter the Stikine between Shek's Creek (four miles below Glenora) and Telegraph Creek, excepting the First South Fork, where there is no fishery. Their claim did not include Telegraph Creek nor



any part of the main river, nor did it extend to the Clearwater River, or to any of the tributaries lower down. In whatever manner the claim to these streams may have been acquired, the actual importance of them to the Coast Indians lay in the fact that the arid climate found immediately to the east of the Coast Ranges enabled them to dry salmon and berries for winter provision, which is scarcely possible in the humid atmosphere of the coast region.

The strict ideas entertained by the Indians here with respect to territorial rights is evidenced by the fact that the Indians from the mouth of the Nass, who have been in the habit of late years of coming in summer to work in the gold mines near Dease Lake, though they may kill beaver for food, are obliged to make over the skins of these animals to the local Indians. Thus, while no objection is made to either whites or foreign Indians killing game while travelling, trapping or hunting for skins is resented. In 1880 or 1881 two white men went down the Liard River some distance to spend the winter in trapping, but were never again seen, and there is strong circumstantial evidence to show that they were murdered by the local Indians there.

With the exception of the houses already referred to as constituting the Tahl-tan village, and some others reported to exist on the Tasku, the residences and camps of these people are of a very temporary character, consisting of brush shelters or wigwams, when an ordinary cotton tent is not employed. We noticed on the Tahl-tan river a couple of square brush houses formed of poles interlaced with leafy branches. These were used during the salmon-fishing season. At the same place there were several graves, consisting of wooden boxes or small dog-kennel like erections of wood, and near them two or three wooden monumental posts, rudely shaped into ornamental forms by means of an axe, and daubed with red ochre.

On attaining the chieftaincy of the Tahl-tan tribe, each chief assumes the traditional name Nanook, in the same manner in which the chief of the coast Indians at the mouth of the Stikine is always named Shek or Shake. The Tahl-tan Indians know of the Creation hero Us-tas, and relate tales concerning this mythical individual

resembling those found among the Tinnè tribes further south, but I was unable to commit any of these to writing. Amongst many other superstitions, they have one referring to a wild man of gigantic stature and supernatural powers, who is now and then to be found roaming about in the summer season. He is supposed to haunt specially the vicinity of the Iskoot River, and the Indians are much afraid of meeting him."

**The Following Account of the Principal characteristics of some of these tribes was prepared for Dr. Dawson by Mr. J. C. Callbreath, who had spent many years amongst the Tahl-tans:**

"Maximum stature about 5 feet 7½ inches; maximum girth about the chest 37 inches; legs and thighs well muscled; arms rather light; as a rule, full chested; heads, unlike the coast tribes, small; feet and hands generally small, as are also the wrist and ankle, especially in the women. The trunk is generally long and the legs short—the former nearly always straight, with small waist and broad hips, the latter usually curved or crooked, a circumstance which appears to be due to too early walking and carrying packs by the children. Brain capacity small; head round; forehead low and bulging immediately above the eyes, but generally broad.

The half-breeds are more like the father, and three generations where the father is in every case white, seem to obliterate all traces of Indian blood. If the case were reversed and the male parent in all cases an Indian, the result might be different. Have never seen or heard of an albino among them. Their most common ailments are pulmonary consumption and indigestion. The former caused by careless and unnecessary exposure, the latter by gorging and drinking at their periodical feasts. They have other diseases peculiar to themselves, induced, as I believe, by imagination or through fear of the medicine-men or witches.

Their acuteness of sight, hearing and smell is great, but I do not believe racial. Practice and training as hunters render them proficient in these respects. Their eyes fail early, and are even more liable to disease than those of whites. It is rare to meet a man of fifty among them with sound



eyes. Snow and sun, together with the smoky dwellings, probably explain this. The children are cunning and clever when young, more so than those of the white race, but grow dull as they age.

I have never seen anything like gesture-language among them, and will not attempt a description of their common tongue, except to say that I can see no similarity in it to that of the Chinese, with whom I have had intercourse to a considerable extent for the past forty years. They reckon time by moons, and now seem to rely more on what the whites may tell them as to the coming of winter or spring than on their own knowledge. The Stone Age is now scarcely more than a tradition, though they know of the time when they had no iron, axes, knives, guns, or the like. Stone knives, adzes and sledges or hammers have been found by the miners from time to time, and it is said that the sledges were used for killing slaves on certain occasions, as well as for braining bears in their hibernating dens.

I cannot learn that these Indians ever used copper before its introduction by the whites. Yarn is spun from the wool of the mountain goat (not the mountain sheep or big-horn), and is woven into excellent blankets, which are highly coloured and ornamented. The process of boiling water with hot stones in baskets or wooden bowls was formerly common. A chief's son has no right to his father's title, or any claim to rule by virtue of his being the son of the chief, although the tribe may choose him as their chief. A chief's brother (full or half) or his sister's child is the legal heir; but his right must be sanctioned by a majority of the tribe, and the office frequently passes to whoever has most property to give away.

All these Indians are very miserly, and they often go hungry and naked for the purpose of saving up blankets, guns, etc., with which to make a grand "Potlach" (donation feast) to their friends. This secures them consideration and a position in the tribe. Practically very few of the men have more than a single wife. When a man has two wives, the younger, if she be sound and lively, is the head. Separation and divorce are easy and require no formal act, but if a man should send away his wife, on whose hunting-grounds he may have been staying, he must leave

her inherited hunting-ground, unless he has another wife who has a right to the same ground. These hunting-grounds are extensive and are often possessed in common by several families.

The laws are based on the principle that any crime may be condoned by a money payment. If a man should kill another, he or his friends must pay for the dead man—otherwise himself or one of his friends must be killed to balance the account. Gratitude and charity seem to be foreign to the natures of these people. A man often gives away all he has to his friends, but it is for purposes of personal aggrandizement, and his father, mother or sister may be sick, freezing or starving within sound of his voice. His presents bestowed upon those who are strong and above want bring him distinction, which is his only object. The young Indians are, however, more humane and charitable than the aged.

The Tahl-tan Indians have no totem-poles, although they preserve the family lines, and observe them as strictly as do the salt-water tribes. They have no fear of death, except from dread of the pain of dying, and this is very much lessened if they have plenty of goods to leave to their friends. They are very stoical, and not emotional, in any sense. I have never seen one of them tremble or quake with fear or anger. There is a belief propagated by their medicine-men or witches that the otter gets inside of their women and remains there until death, sometimes causing death by a lingering illness unlike anything I have ever seen, in other cases allowing the woman to live on till she dies from some other cause.

The Kaska have the reputation of being a very timid people, and they are rather undersized and have a poor physique. They are lazy and untrustworthy. We met practically the entire tribe of the Titsho-ti-na, at the little post at the mouth of the Dease, and their curiosity proved to be very embarrassing. Mr. Egnell, who was in charge of the post, excused it by explaining that they had never seen so many whites together before. Of these Indians, only two have been as far west as Dease Lake, and none had ever seen the sea. They are, however, fairly well off, as their country yields abundance of good furs. They visit the trading post only once in the course of the year, spending the remainder of their time moving from

camp to camp in isolated little family parties, hunting and trapping, each one traversing a very great extent of country in the course of the twelve months. Some of their traps or household goods are packed on dogs, but the greater part of their impedimenta is carried by themselves on their backs, canoes being seldom employed. Rivers and lakes are crossed in summer by rafts made for the occasion. They generally bring in only fine furs, as bear skins and common furs are too heavy to transport. They evinced great curiosity with regard to our equipment, being particularly struck by a canvas boat and an air pillow. These and other objects, I have no doubt, furnished subjects of conversation round many camp-fires for the ensuing year."

The subjoined table, giving a census of the Indian population of the Mackenzie River district, and including the Yukon region so far as known to the Hudson's Bay Company, in 1858, is of interest, as showing the tribal sub-divisions as recognized by the Company, and as throwing some light on the questions discussed above. The table is due to the late Chief Factor, James Anderson, and had been communicated through the kindness of his son:

Slaves, Dog-Ribs, Chippewayans, and Yellow Knives, who are all of the same race, and speak, with slight variations, the same dialect of the Chippewayan language.....	2749
Nahannies, or Mountain Indians, who speak a very corrupt dialect of the Chippewayan...	435
Sicannies or Thicannies, also speak a dialect of the Chippewayan language.....	151
Loucheux, or Koochin, and Batoré Loucheux (half Hare, half Loucheux). Only some words of this language are understood by the Slaves.....	1274
	4609

**Of Pontiac, who manipulated the Indian war** of 1763 and following years, and whose name is perpetuated in the county of Pontiac, in Quebec province, Mrs. Jamieson, the well-known writer, says, with much truth, (Sketches 1838):

"In all the histories of Detroit he will figure like Caractacus or Arminius in Roman history. Pontiac was mainly a war chief, chosen in the usual way, but exercising a more than usual in-

fluence, not only by mere bravery—the universal savage virtue—but by talents of a rarer kind; a power of reflection and combination rarely met with in the character of the red warrior. Pontiac was a man of genius and would have ruled his fellow men under any circumstances and in any country. He formed a project similar to that which Tecumseh entertained fifty years later (against very different enemies). He united all the north-western tribes of Ottawas, Chippewas and Pottawattomies, in one great confederacy, against the British—"the dogs in red coats."

To his remarkable character ample tribute is also borne by Parkman in his very complete study of the great conspiracy which has made the name of Pontiac so famous. Upon one occasion he was anxious to avoid offending the French, yet was entirely unable to make compensation for the provisions he had exacted. He, therefore, had recourse to the curious expedient suggested, no doubt, by one of his European assistants. He issued promissory notes, drawn upon birch bark, and signed with the figure of an otter, the totem to which he belonged; and we are told by a trustworthy authority, says Parkman, that they were all faithfully redeemed. "In this, as in several other instances, he exhibited an openness of mind and a power of adaptation not a little extraordinary amongst a people whose intellect will rarely leave the narrow and deeply-cut channel in which it has run for ages, whose rejection of instruction and adhere, with rigid tenacity, to ancient ideas and usages. Pontiac always exhibited an eager desire for knowledge. Rogers represents him as earnest to learn the military art as practised among Europeans, and as inquiring curiously into the mode of making cloth, knives and the other articles of Indian trade."

Of Pontiac's keen and subtle genius General Gage has given this testimony: "From a paragraph of M. D'Abbadie's letter there is reason to judge of Pontiac, not only as a savage possessed of the most refined cunning and treachery natural to the Indians, but as a person of extraordinary abilities. He says that he keeps two secretaries, one to write for him and the other to read the letters he receives, and he manages them so as to keep each of them ignorant of what is transacted by the other."

Major Rogers, a man familiar with the Indians, and an acute judge of mankind, wrote in the highest terms of Pontiac's character and talents. "He puts on," he says, "an air of majesty and princely grandeur, and is greatly honoured and revered by his subjects." During this Indian war few durst infringe the command he had given, that the property of the French Canadians should be respected; indeed, it is said that none of his followers would cross the cultivated fields, but always followed the beaten paths; in such awe did they stand of his displeasure.

"Pontiac's position," says Parkman, "was very different from that of an ordinary military leader. When we remember that his authority, little sanctioned by law or usage, was derived chiefly from the force of his own individual mind, and that it was exercised over a people singularly impatient of restraint, we may better appreciate the commanding energy that could hold control over spirits so intractable. The glaring faults of his character have already appeared too clearly. He was artful and treacherous, bold, fierce, ambitious and revengeful." Yet there are many authenticated anecdotes which prove that mobile and generous thought was no stranger to the savage hero of the dark drama which, in the years following 1763, was played in the forests and wildernesses of America as a result of his unscrupulous genius and bitter hatred of the English.

**Joseph Brant—Thayendanegea**—was, perhaps, the most imposing and important figure amongst the three great chiefs in Canadian history. Born of pure Mohawk blood in the year 1742, he was educated under the auspices of Sir William Johnson in the then Province of Connecticut, and fought at the Battle of Lake St. George when only thirteen years of age. In 1775 he visited England, and during the war of the Revolution fought on the English side with great distinction at the head of the Iroquois nation. For many years thereafter he lived in hospitable retirement upon Canadian soil, where he had obtained large grants for his people and where he spent some of his time in translating the Anglican Prayer-book and St. Mark's Gospel into the Mohawk language.

As the principal war chief of the Six Nations,

during the Revolution he was not only mainly instrumental in securing their allegiance to the British side, but he guided and directed their military action with skill and wonderful courage. He was described at the time as "distinguished alike for his address, his activity and his courage; possessing in point of stature and symmetry of person the advantage of most men, even among his own well-formed race—tall, erect, and majestic, with the air and mien of one born to command." Having been a man of war from his boyhood, his name was a tower of strength among the warriors of the wilderness. At the battle of "The Cedars" Thayendanegea did good service, and during the whole of the war, where bullets were thickest and the enemy most numerous, his glittering and terrible tomahawk was to be seen, and his terrific war-whoop heard. Yet he was neither cruel nor merciless, and did his utmost to restrain the natural barbarism and equally natural hatreds of his people. The calumny spread broadcast throughout literature by Campbell in his famous poem, "Gertrude of Wyoming," has been absolutely disproved by history, and Brant is now known to have been far away from that scene of massacre—too common an incident on all sides in those days, but not nearly so bad in that particular case as the brilliant pen of the poet has depicted.

In 1786, Thayendanegea again visited London and amongst other interesting incidents was his presence at a great fancy dress ball, where it was supposed for a time that the stately, silent figure with the striking face, piercing eyes, nodding plumes and glittering tomahawk in his belt, was one of the masquerading guests. But the "disguise" was so well maintained as to arouse intense curiosity, and finally one of the masquers, arrayed as a Turk and emboldened by wine, ventured to tweak the visitor's nose. Instantly a blood-curdling yell was heard such as made all faces blanch, while the tomahawk was seen to instantly flash over the helpless head of the trembling wretch. For a moment it gleamed in the air, then, with a low chuckle of delight, was returned by the Chief to his girdle. But it is safe to say that the fashionable gathering present never forgot that terrible war-whoop of the Mohawks.

Thayendanegea died in 1807 and his last words

to the nephew who leaned over his bed and just caught them from his feeble lips were: "Have pity on the poor Indians; if you can get any influence with the great, endeavour to do them all the good you can." He had himself done much, and although the literature of the American nation has heaped abuse and misrepresentation upon his name and career, history is now doing him justice, and the Canadian people at least know something of his services to them and their country. A monument at Brantford, Ontario, marks his burial place, and that of a son who afterwards fought through the war of 1812.

**The peculiarities of the Indian character and environment** have created amongst the Indians sentiments and opinions seldom avowed, but which were admirably expressed by Thayendanegea in a remarkable letter quoted by Mr. F. N. Blake, U. S. Consul at Fort Erie, in his official Report to his Government in 1870:

"To give you entire satisfaction, I must, I perceive, enter into the discussion of a subject on which I have often thought. My thoughts were my own, and being so different from the ideas entertained among your people, I should certainly have carried them with me to the grave had I not received your obliging favour. You ask me whether, in my opinion, civilization is favourable to human happiness. In answer to the question it may be answered that there are degrees of civilization, from cannibals to the most polite of European nations. The question is not, then, whether a degree of refinement is not conducive to happiness, but whether you or the natives of this land have attained this happy medium. On this subject we are at present, I presume, of very different opinions. You will, however, allow me in some respects to have had the advantage of you in forming my sentiments.

I was, sir, born of Indian parents, and lived while a child among those whom you are pleased to call savages. I was afterwards sent to live among white people, and educated at one of your schools, since which period I have been honoured much beyond my deserts by an acquaintance with a number of principal characters both in Europe and America. After all this experience, and after every exertion to divest myself of prejudice, I am obliged to give my opinion in favour of my own people. I will now, as much as I am able, collect together and set before you some of the reasons that have influenced my judgment on the subject now before us. In the government you call civilized, the happiness of the people is constantly

sacrificed to the splendour of empire. Hence your codes of crime and civil laws have had their origin; hence your dungeons and prisons. I will not enlarge on an idea so singular in civilized life, and perhaps disagreeable to you, and will only observe that among us we have no prisons, we have no pompous parade of courts, we have no written laws, and yet judges are as highly revered among us as they are among you, and their decisions are as much regarded.

Property, to say the least, is as well guarded, and crime as impartially punished. We have among us no splendid villains above the control of our laws. Daring wickedness is here never suffered to triumph over helpless innocence. The estates of widows and orphans are never devoured by enterprising sharpers. In a word, we have no robbery under the colour of law. No person among us desires any other reward for performing a brave and worthy action but the consciousness of having served his nation. Our wise men are called fathers; they truly sustain that character. They are always accessible—I will not say to the meanest of our people, for we have none mean but such as render themselves so by their vices."

**Tecumseh ranks in the greatness of his qualities and the nobility of his character** with Thayendanegea, but his career was too short to enable him to develop the same prolonged measure of historical service. Brief, however, as it was, he achieved enough during the war of 1812 to stamp him as one of the princes of a warrior race and to enable him to stand beside Brock and De Salaberry in the historic contest with American invasion. Born in 1770, he fell at the battle of Moraviantown in 1813. His admiration and affection for Brock were remarkable and his dislike to Procter an equally curious evidence of Indian discernment. Colonel Coffin in his valuable "History of the War of 1812" has the following description of Tecumseh:

"From his youth up he had shown himself to be a remarkable man. Devoid of education in the European acceptance of the term, he had yet learned to control himself. Instinctively he had risen above the instincts and passions of his race; he despised plunder; he abjured the use of spirits; he had overcome a propensity strong within him, and had for years renounced "fire-water." His conduct in the field was only exceeded by his eloquence in council. This combination of head and hand won the hearts of his tribe and of their savage allies. The influence of the chief extended over the warriors of many other Indian nations.

With the skill of a statesman he appeased all dissensions, reconciled all interests, and united all minds in one common alliance against the hated Americans. This was due to his personal qualities alone. Contrary to the Indian nature, he had an aversion to external ornament. His invariable costume was the deer-skin coat and fringed pantaloons; Indian moccasins on his feet, and an eagle feather in the red kerchief wound round his head, completed his simple and soldierly accoutrements. Richard Coeur de Lion, himself, was not more contemptuous of spoil, or avid of glory. He was about five feet ten inches in height, with the eye of a hawk, and of gesture rapid; of a well-knit, active figure; dignified when composed, and possessing features of countenance which, even in death, indicated a lofty spirit."

**The Indian Oratorical Talent which looms out** so strangely from the shadows of their characteristic taciturnity has never been better illustrated than in the famous speech addressed by Tecumseh to the British General, Procter, after the news had reached the allied forces of Perry's victory on Lake Erie, September 10th, 1813, and the General had announced in council with the Chiefs his intention of retiring from Detroit and Amherstburg to Niagara. Tecumseh's speech is said to have been delivered with great energy, and to have produced the most startling effect upon his brother Indians, who are described as having sprung to their feet and brandished their tomahawks in the most menacing manner.

"Father," thundered the great chieftain, "listen to your children; you see them now all before you. The war before this, our British father gave the hatchet to his red children when our old chiefs were alive. They are now all dead. In that war our father was thrown on his back by the Americans, and our father took them by the hand with our knowledge, and we are afraid our father will do so again at this time.

Summer before last, when I came forward with my red brethren and was ready to take up the hatchet in favour of our British father, we were told not to be in a hurry—that he had not yet determined to fight the Americans. Listen! When war was declared, our father stood up and gave us the tomahawk, and told us he was now ready to strike the Americans—that he wanted our assistance; and he certainly would get us our

lands back, which the Americans had taken from us.

Listen! You told us at the same time to bring forward our families to this place. We did so, and you promised to take care of them, and that they should want for nothing, while the men would go to fight the enemy; that we were not to trouble ourselves with the enemy's garrisons; that we knew nothing about them; and that our father would attend to that part of the business. You also told your red children that you would take good care of your garrison here, which made our hearts feel glad.

Listen! When we last went to the Rapids it is true we gave you little assistance. It is hard to fight people who live like groundhogs.

Father, listen! Our fleet has gone out; we know they have fought; we have heard the great guns; we know nothing of what has happened to our father with one arm. Our ships have gone one way and we are much astonished to see our father tying up everything and preparing to run away the other, without letting his red children know what his intentions are. You always told us to remain here and take care of our lands; it made our hearts glad to hear that was your wish. Our great father, the King, is the head, and you represent him. You always told us you would never draw your foot off British ground; but now, father, we see you are drawing back, and we are sorry to see our father doing so without seeing the enemy. We must compare our father's conduct to a fat animal, that carries its tail upon its back, but when afrighted, it drops it between its legs and runs off.

Listen, Father! The Americans have not yet defeated us by land; neither are we sure that they have done so by water; we therefore wish to remain here, and fight our enemy, should they make their appearance. If they defeat us we will then retreat with our father.

Father! You have got the arms and ammunition which our great father sent for his red children. If you have any idea of going away, give them to us, and you may go in welcome for us. Our lives are in the hands of the Great Spirit. We are determined to defend our lands, and if it is His will, we wish to leave our bones upon them."

While speaking, Tecumseh's wrath is described

as terrific. Habited in a close leather dress, his athletic proportions admirably delineated, with a large plume of white ostrich feathers overshadowing his brow, and contrasting with the darkness of his complexion, and the brilliancy of his black and piercing eyes, he must indeed have presented a picture of peculiar interest. On the following day, after retreating across the Thames, Procter called another council of war and the ensuing scene is described as having been even more dramatic. Tecumseh had been seated with the other chiefs on the ground around the camp fire. He had been apparently an indifferent listener to the discussion, until the General, whom he had never liked, requested him to state his views. He then rose, surveyed the assembled officers and chiefs, with the light of the camp-fire casting a ruddy glow over his swarthy features and glistening in his dark eyes. Striding across the camp, he stood face to face with Procter and thus addressed him :

"Brother, have you not run far enough yet? Do I see before me a chief of our great father on the other side of the waters?"

He is a great chief, and knows his children. When they do one great deed he gives them this (laying a hand on one of Procter's brilliant epaulettes); when two great deeds, another (placing his other hand on the reverse epaulette).

But where did you get these? Brother, you are a chief of the great father. Be like Brock—

Fight and live; or

Fight and die.

Tecumseh, with his warriors, will not leave their children nor their lands.

If you go, give us your guns that on to-morrow's sun we may use them.

Tecumseh has said, and speaks no more. He fights, perhaps to die."

The unfortunate battle of Moraviantown followed, with Procter's defeat and Tecumseh's death.

**Oronhyatekha, M.D.** is perhaps the most remarkable living Indian. Born in 1841, near Brantford, of the purest Mohawk lineage, he was educated largely through his own exertions, in a pecuniary sense, at a couple of colleges in the United States, concluding with a three years' course at Toronto University. When the Prince

of Wales was in Canada in 1860, Oronhyatekha was selected by the chiefs of the Six Nations to present him with a loyal address, and so impressed the Prince by his bearing and appearance that His Royal Highness sent him to Oxford to complete his studies under the charge of Sir Henry Acland, the Regius Professor of Medicine at that great seat of learning. Returning to Canada, after taking his degree, he practised with much success at Frankford, Stratford and London until 1881, when he was chosen Supreme Chief Ranger of the Independent Order of Foresters.



Oronhyatekha.

This position he has since held with ever-increasing influence and reputation. To him, indeed, that Order owes mainly its present strong position in Canada and the United States. His executive ability is as marked as his powerful physique and pride of Indian descent. Oronhyatekha's wife is a great-granddaughter of Thayendanegaa.

**The following are lists of the Indian warriors** who joined the British cause in 1812. They were drawn up in that year, and include all the tribes



who bore arms in the war, or who were friendly to the British, with the exception of the Sioux and the Chippewas. The former did not exceed 300 fighting men at the time, although a tribe renowned for bravery; and the latter, who occupied the south and west side of Lake Superior, sent but very few to the war, though they were not, as a whole, unfriendly. The western Indians who served were as follows :

Wyandots, or Hurons.....	450	warriors
Ottawas and Chippewas.....	350	"
Miamies.....	180	"
Peons.....	180	"
Shawnees (Tecumseh's tribe)...	550	"
Shawnees (west of the Missis-		
sippi) .....	500	"
Potawatamies.....	2000	"
Kickapoos and Muskoutans.....	450	"
The Ottawas on Grand River,		
and the other rivers which		
fall into Lake Michigan.....	550	"
Chippewas, who resided about		
Michilimackinac.....	400	"
Followines, of Green Bay.....	500	"
Winnebagoes.....	700	"
Soakies, on the east side of the		
Mississippi .....	750	"
Foxes.....	450	"
Chippewas and Ottawas of Sau-		
geen Bay, on Lake Huron...	600	"

These constituted the whole of the fighting men of the western nations of Indians as they stood in 1812, amounting in all to 8610 warriors. Such a force, estimated by their numbers, might be held of little consequence if brought against disciplined troops in an open country, but when it is remembered that they occupied a territory of immense extent lying upon a frontier formed of dense forests, entirely unfortified, and peculiarly liable to the desultory mode of warfare which the Indians knew so well how to carry on, it became a matter of immense importance for a Power at war with the United States to be on good terms with them.

There was always a strong antipathy existing between the people of the United States (particularly the backwoodsmen) and the Indians, so that as the settlements of the former advanced the

latter receded. It was largely because of this feeling that the Indians became the allies of Great Britain during the war, as they thought that with the aid of the British arms they might drive the Americans (those evil spirits, as they termed them) out of their hunting-grounds.

This idea operated strongly on Tecumseh's mind. According to Mr. Henry Mott, an able writer upon this subject, he had formed the plan of uniting all the Indians of the southern districts as far as Florida, and those of the west and the north, together, with the design of making an attack on the United States, simultaneously with the British, who were to attack them from the coast, whilst Canada was to press them from the north. This was a plan, however impracticable, which could only be the offspring of a strong and comprehensive mind. The feelings of the Indians towards the soldiers of the United States were manifested in the different engagements in which they acted with the British troops, as frequently, after the battle, the English officers and men had the utmost difficulty in preventing their allies from scalping the prisoners. The Indians of Upper and Lower Canada who served in the war were as follows :

Mohawks, residing about Lake		
Erie.....	400	warriors
Mohawks, residing on the Bay		
of Quinte.....	50	"
Mississaguas, about York and		
Lake Ontario .....	150	"
Chippewas, about Lake Simcoe	70	"
Iroquois, of St. Regis (during		
the war they were divided,		
and part of them went with		
the Americans).....	250	"
Iroquois, of Caughnawaga.....	270	"
Iroquois, of the Lake of Two		
Mountains.....	150	"
Algonquins, at the Lake of		
Two Mountains.....	100	"
Abenakis, from Lorette.....	100	"
Algonquins, who resided about		
Three Rivers.....	50	"

These Indians, amounting in all to 1,590, added to the 8,610 warriors of the western nations, made a total force of 10,200 men.



The following interesting and somewhat fiery address embodies the feeling of the Iroquois regarding the attempt to blow up Brock's monument at Queenston in 1840. It also illustrates their keen antagonism to the United States:

"To Samuel Peters Jarvis, Esq.,

Chief Superintendent of Indian Affairs in Upper Canada, etc.

Brother: The Chiefs and Warriors of the Mohawks of the Bay of Quinte, assembled in council, salute you.

Brother: Upwards of fifty years ago, the American people drove us from our hunting-ground which the Great Spirit gave our fathers; and we can now no longer meet at the great council fire at Onondaga where our tribes were accustomed to assemble. But the British have given us a new home; and here we live, and light our council fire in safety.

Brother: Since we were driven from our country, we shake you and every Englishman by the hand, and call him brother, for we have the same great Mother, the Queen, who makes no difference between her Red and White children, except that she treats us like her younger children.

Brother: Our people are grateful for these things. We love our great Mother and our new country; and will defend both with the last drop of our blood, as our fathers, the Iroquois, did before us. The Mohawk will never stand by and see his adopted country or his white brother insulted. He will avenge it as an injury done himself.

Brother: It is this feeling that leads us to address you. Our country has been insulted, and we are very angry at it. We heard of the shameful conduct of our American neighbours. When some bad people raised a disturbance here, and were forced to run away, they received these bad men as their friends, and gave them every assistance to stab and destroy our Mother. But defeat and shame followed their repeated attempts. We know the Americans of old. Our fathers told us how they used them, and we see every year how they are abusing and murdering our Red Brethren in the west.

Brother: We always thought the Americans a bad people; but until now we thought they were men. Before the Indian saw the White Man,

the Great Spirit taught him to look upon the *tsi-kagh-ne-gagh-to-de* (monuments) of the dead as sacred; and much so those of the good and brave. But what are we to think of the wretch who would steal over in the night like a fox or a thief, when his neighbours who were at peace with him were asleep, and tramp down the warrior's grave? Yet an American has done this; and his country approves of it; for she receives this rattle-snake (who, we hear, had stung several times before) into her bosom, and hides him from the punishment he deserves.

Brother: We will not talk of these people; for when we do the remembrance of the injuries they have done us, and are still doing our poor helpless Red Brethren of the west, makes our blood grow warm.

Brother: We thank the Great Spirit that He has taught us the Christian Religion, which makes us love peace and seek it with all men. But still we feel that the blood of the once mighty Iroquois runs in our veins, and insults of this kind are too much for us.

Brother: We rejoice to hear that our country is about to build up the *tsi-kagh-ne-gagh-to-de* of Okoughretsha (Sir Isaac Brock). Many of our people remember the face of that great warrior and great man. He was the Indian's friend. He died fighting our enemies, who boasted they were coming to take our country away again and drive us from the face of the earth. He deserved the honour of the *tsi-kagh-ne-gagh-to-de*, that our children might know where he nobly fell and where the bones of the Warrior Chief slept in peace.

Brother: It must be built up again, higher and stronger than ever. We must show our enemies we will not be insulted, and if they forget they are men, they must expect to be treated like beasts and snakes.

Brother: We are poor, but our hearts are big. We ask leave to put a few stones over the grave of our departed friend, and we send you a requisition (for seven pounds ten shillings) for that purpose. We are proud to stand side by side with our white brethren in all good deeds. The sum we send is very small, but it is a little from each Chief and warrior of our nation, and we give it with our heart.

Brother: Tell our good father, the Governor,

that although our tomahawks are buried, and we wish to sit down, yet our warriors have not forgotten the war-whoop, and whenever it is raised at the call of our Queen, we will get up, like one man, to punish our enemy.

Brother: Remember this: we are always ready."

Dated December 26th, 1840, this characteristic document was signed on behalf of the Mohawk nation by its five principal Chiefs.

**The story of the Oka Indians in Canada** is at once an illustration of the patience of the Government in dealing with these people, and a proof of the desire to do them justice even against powerful influences. The Oka tribe had been settled for two hundred years upon lands claimed and really belonging to the Seigneurie of Two Mountains, near Montreal, in the Province of Quebec, and under the control of the powerful Seminary of St. Sulpice. The Seminary claimed exclusive jurisdiction as against the Crown, and this was finally proven. The Indians, meanwhile, set up other claims based upon occupation of the soil. The dispute is too intricate and prolonged to particularize in detail, and became, subsequently, complicated by the Oka Indians accepting Methodism as their religion, building a church which was destroyed by the Seminary, and in turn burning down a Catholic chapel.

For two hundred years their relations with the Sulpitan Order in Montreal were close and, at times, friendly. The first appeal to the Government, and claim on behalf of the Okas to ownership of the Seigneurie, was in 1788, and it was then decided that they had no title, both by Lord Dorchester and the Imperial authorities. Failing in sustaining this contention, they had, while not giving it up, brought forward the other claim to help and support from the Seminary. This contention all the ordinances, grants and charters fully sustained, and the regulations of the Sulpitians appear also to have recognized. The Indians were granted lands for cultivation, and the village of Oka grew up as a result, and under conditions represented in the following statement from the Seminary:

"This is the manner in which we deal with our Indians in reference to the cultivation of lands. We allow them the enjoyment of the lands, on condition that they will cultivate them; the en-

joyment may pass to their children on the same conditions, and even allow them to sell out that enjoyment to another Indian who has been established in the said Mission for two years. We only reserve for us the wood, the cutting and cartage of which we pay for. If they want firewood or timber for building purposes, we allow them to have it; but we only permit them to take what they want for their own use. They are prohibited from selling wood without our permission, otherwise our forest would have been long since ruined."

In 1856 the Special Commissioners appointed to investigate Indian affairs in Canada—R. T. Pennyfather, Froome Talfourd, and Thomas Worthington—reported to the following effect. There were three tribes living together at this settlement, Nipissings, Algonquins and Iroquois. The land which they occupied belonged to the Seminary of St. Sulpice, at Montreal, "to whom the Seigneurie of the Two Mountains was granted for the maintenance and instruction of the Indians stationed there." The population was 884, and the aborigines owned 60 cows, 17 oxen, 71 horses, 97 swine and 114 carts and waggons. The farm produce for 1856 is stated to have been 813 bushels of wheat; of oats and barley, 771 bushels; of peas and beans, 226 bushels; of potatoes, 580 bushels; of Indian corn, 835 bushels; and of hay, 181 tons. "The total of the land under cultivation by the Indians is 899 acres, 664 of which are tilled by the Iroquois, 148 by the Algonquins, while 87 are under the management of the Nipissings." The Commissioners added an opinion that "the tract is not favourable to agricultural pursuits, being for the most part sterile and stony."

The Indians were assessed for tithes to the extent of about \$200 a year by the Seminary and paid the assessment in labour, but on the other hand were given, between 1865 and 1868—as an illustration—fully \$9,800 in seed grain, work which was paid for, and alms. Disputes, however, were frequent, and although the Government offered to set apart 16,000 acres of land for them elsewhere they refused as a whole to accept it. Yet during all this period of discussion no force was used against, the Indians and the powerful influence of the Seminary could not enforce any authority outside of the strictest legal rights, and even in doing that they were limited by public opinion in

favour of the utmost religious liberty being given "the wards of the nation." The Indians probably expected too much. They claimed in a memorial to Lord Dufferin not only the freedom of worship to which they were entitled but that the Seminary was bound by its charter "to provide funds for their moral and religious instruction"—in other words, to give pecuniary support to another faith. Of course such pretensions only increased the friction. Finally, in 1894 the bulk of the tribe removed voluntarily to the northern part of Ontario, obtaining a grant of \$1,000 from the Government for that purpose, compensation for any losses incurred, and an ample tract of good land. The terms of the settlement were deemed satisfactory by the missionaries amongst them and it was accepted by their advice.

**The following official statement**, signed by Sir Hector Langevin, the Dominion Secretary of State and Superintendent of Indian Affairs, was written on December 9th, 1868, and deals with the Oka claims generally:

"The statements contained in your petition to His Excellency the Governor-General having been examined and inquired into, I have to answer them in the following manner:

The Seigneurie of the Lake of Two Mountains was granted in the year 1718 by the King of France to the gentlemen of the Seminary of St. Sulpice, and the title, which has been recognized by Act of Parliament, is such as gives to that body the absolute ownership thereof, and, consequently, the Indians have no right of property in the Seigneurie.

With regard to timber, it is found from explanations given by the Superior of the Seminary, that the Indians are allowed to cut such wood as they require for fuel and for building purposes, but are not permitted to cut wood for sale.

It appears, also, that education is bestowed upon the Indians in the required branches, and in the French language, as that spoken generally in that section of Canada; and, that their religious instruction has received continued attention; and that a very great deal has been done to improve the condition and to contribute to the comfort and welfare of the Iroquois of that Seigneurie. And, further, that the complaint made that the Indians

have been refused concessions of land for agricultural purposes is contrary to the facts of the case; the practice, as explained, being to allot lands for agriculture in proportion as the Indians are prepared to clear them.

Having conveyed to you these particulars, it remains to be added, for the information of the Iroquois Indians of that Seigneurie, that by authority of an Order-in-Council there are 1,600 acres of land set apart for the Iroquois of the Lake of Two Mountains and of Caughnawaga, situated in the Township of Duncaster, in rear of the Township of Wexford, and where, provided they become actual settlers and improve the lands, each family may be located on a farm lot of sufficient extent; and, in that case, it would be ascertained what aid could be given to the Indians by the Government.

Should the lands set apart in that township be insufficient, an endeavour would be made to find some other locality where the Indians might settle, if they so desired."

**Different Commissions of Inquiry** into the condition of the Canadian Indians have been issued from time to time, of which those in 1847 and 1856 were probably the most important. In reference to the Indian title, the Commissioners of 1847 thus stated their views: "Although the Crown claims the territorial estate and eminent domain of Canada, as in other of the older colonies, it has, ever since its possession of the Province, conceded to the Indians the right of occupying their old hunting-grounds, and their claim to compensation for its surrender, reserving to itself the exclusive privilege of treating with them for the surrender or purchase of any portion of the land. This is distinctly laid down in the Proclamation of 1763, and the principle has since been generally acknowledged, and rarely infringed upon by the Government."

In carrying out this policy, says Dr. G. M. Dawson, we find the Government paying sums of money to certain tribes, and providing them with annuities as their lands become desirable for settlement. The payments thus made, though often apparently large, were always small in proportion to the extent of the territory ceded. The country, for instance, north of Lakes Superior and

Huron remained in possession of the Ojibiways till 1850, when the whole of this vast region, at least equal in extent to England, and inhabited by between 2,000 and 3,000 Indians, was surrendered to the Canadian Government for \$16,640 paid down, and \$4,400 in perpetual annuity. On this the Commission in 1856 remarked: "If we consider that it is properly within our province, we should not hesitate to express our decided regret that a treaty, shackled by such stipulations, whereby a vast extent of country has been wrung from the Indians for a comparatively nominal sum, should have received the sanction of the Government." In a table prepared under the same Commission is the following summary of acres of land given up, at different times, by the Indians of Canada, with the price paid to them per acre:

Ojibiways, 2½d. per acre.....	7,373,000 acres.
" ¾d. " .....	6,737,750 "
Ottawas, Pottawatamies, Chippewas and Hurons, 1⅞d. per acre.....	3,001,078 "
Delawares, 2s. per acre .....	
Saugeen Indians, 3½d. per acre.....	1,500,000 acres.
Ojibiways of Lake Superior, 2½d. per acre. Acreage not known .....	
Average rate per acre about 1½d.	

This might represent roughly a million dollars, and does not include the far larger sums received by the Iroquois, and the more western tribes at a later date. Nor does it include the annual payments for food and implements, and education. These latter since Confederation have averaged nearly a million a year. Upon the whole, the Indians of Canada have been splendidly dealt with in comparison with the treatment of aborigines in any other country under the sun. Lord Dufferin summed this policy up in some eloquent words at Brantford which he addressed to the Iroquois on August 25th, 1874:

"I believe that one chief reason why the Government of Canada has been so pre-eminently successful in maintaining the happiest and most affectionate relations with the various Indian nations, with whom it has to deal, has been that it has recognized the rights of these people to live according to their own notions of what is fittest for their happiness, and most suitable for the peculiar circumstances in which they are

placed. I am glad to think that in doing so they have already begun to reap the fruits of their forbearance and good sense, and that from ocean to ocean, amidst every tribe of Indians, the name of Canada is synonymous with humanity, with good faith, and with benevolent treatment. I am pleased to see amongst those who have assembled to welcome me many members of your families, arrayed in the ancient dress of the Indian nationality, for I certainly am of opinion that it is wise of you to take a just and patriotic pride in those characteristics of your past history which, being innocent in themselves, will serve to remind you of your forefathers, and of the antecedents of your various tribes, and will add colour and interest to your existence as a distinct nationality, so happily incorporated with the British Empire."

**The Indians of Western Canada**, owing to the manner in which they were dealt with for generations by the Hudson's Bay Company, the former rulers of that vast territory, have an abiding confidence in the Government of the Queen, or the Great Mother, as they style her. This sentiment should never be shaken, and, it seems probable, can be easily and fully maintained. The Treaties which have been made are based upon the models of that arranged at the Stone Fort in 1871, and the one made in 1873, at the north-west angle of the Lake of the Woods, with the Chippewa tribes, and these again are founded, in many material features, upon those made by the Hon. W. B. Robinson with the Chippewas dwelling on the shores of Lakes Huron and Superior, in 1860. The late Hon. Alexander Morris, Lieut.-Governor of Manitoba and the Territories for a number of years, summarized these Treaties in 1886, as follows:

"A relinquishment, (1) in all the great region from Lake Superior to the foot of the Rocky Mountains, of all their right and title to the lands covered by the Treaties, saving certain reservations for their own use, and

2. In return for such relinquishment, permission to the Indians to hunt over the ceded territory and to fish in the waters thereof, excepting such portions of the territory as pass from the Crown into the occupation of individuals or otherwise.

3. The perpetual payment of annuities of five dollars per head to each Indian—man, woman and child. The payment of an annual salary of twenty-five dollars to each Chief, and of fifteen

dollars to each Councillor, or head man, of a chief (thus making them, in a sense, officers of the Crown), and, in addition, suits of official clothing for the Chiefs and head men, British flags for the Chiefs, and silver medals.

4. The allotment of lands to the Indians, to be set aside as reserves for them, for homes and agricultural purposes, and which cannot be sold or alienated without their consent, and then only for their benefit; the extent of lands thus set apart being generally one section for each family of five. I regard this system as of great value. It at once secures to the Indian tribes tracts of land which cannot be interfered with by the rush of immigration, and affords the means of inducing them to establish homes and learn the arts of agriculture. I regard the Canadian system of allotting reserves to one or more bands together, in the localities in which they have had the habit of living as far preferable to the American system of placing whole tribes in large reserves which eventually become the object of cupidity to the whites, and the breaking up of which has so often led to Indian wars, and great discontent, even if warfare did not result. The Indians have a strong attachment to the localities in which they and their fathers have been accustomed to dwell, and it is desirable to cultivate this home feeling of attachment to the soil. Moreover, the Canadian system of band reserves has a tendency to diminish the offensive strength of the Indian tribes, should they ever become restless—a remote contingency if the Treaties are carefully observed. Besides, the fact of the reserves being scattered throughout the Territories will enable the Indians to obtain markets among the white settlers for any surplus they may eventually have to dispose of.

5. A very important feature of all the Treaties is the giving to the Indian bands of agricultural implements, oxen, cattle (to form the nuclei of herds), and seed grain. The Indians are fully aware that their old mode of life is passing away. They are not unconscious of their destiny; on the contrary, they are harassed with fears as to the future of their children and the hard present of their own lives. They are tractable, docile and willing to learn. They recognize the fact that they must seek part of their living from 'the mother earth' to use their own phraseology.

6. The Treaties provide for the establishment of schools on the reserves for the instruction of the Indian children. This is a very important feature, and is deserving of being pressed with the utmost energy. The new generation can be trained in the habits and ways of civilized life—prepared to encounter the difficulties with which they will be surrounded by the influx of settlers, and fitted for maintaining themselves as tillers of the soil. The erection of a school-house on a reserve will be attended with slight expense, and the Indians would often give their labour towards its construction.

7. The Treaties all provide for the exclusion of the sale of spirits, or fire-water, on the reserves. The Indians themselves know their weakness. Their wise men say, if it is there we will use it; give us a strong law against it. A general prohibitory liquor law, originally enacted by the North-West Council and re-enacted by the Parliament of Canada, is in force in the North-West Territories and has been productive of much benefit, but will, in the near future, be difficult of enforcement owing to the vast extent of the territory."

**At the Conference in 1871 preceding the first Canadian Treaty with the western Indians—called the "Stone Fort Treaty,"** after the place of meeting—the Lieutenant-Governor of Manitoba, Hon. (afterwards Sir) A. G. Archibald, admirably expressed in a few simple words the basis upon which the Dominion Government desired to treat with the red children of the prairies:

"Your Great Mother, the Queen," he said, "wishes to do justice to all her children alike. She will deal fairly with those of the setting sun, just as she would with those of the rising sun. She wishes her red children to be happy and contented. She would like them to adopt the habits of the whites, to till land, and raise food, and store it up against the time of want. But the Queen, though she may think it good for you to adopt civilized habits, has no idea of compelling you to do so. This she leaves to your choice, and you need not live like the white man unless you can be persuaded to do so of your own free will. Your Great Mother, therefore, will lay aside for you lots of land to be used by you and

your children for ever. She will not allow the white man to intrude upon these lots. She will make rules to keep them for you, so that as long as the sun shall shine there shall be no Indian who has not a place that he can call his home, where he can go and pitch his camp, or if he chooses build his house and till his land. When you have made your Treaty you will be free to hunt over much of the land included in the Treaty. Until these lands are needed for use you will be free to hunt over them, and make all the use of them which you have made in the past. But when these lands are needed to be tilled or occupied, you must not go on them any more."

**Some interesting facts in connection with the Indian of the Canadian North-West and his chief support, the buffalo,** were brought out in a debate in the House of Commons during 1877. That the advice then given by the two men, who, perhaps, best knew the great stretch of country in the northern part of Canada, was not followed must always be a matter of regret. Now that the buffalo is almost gone and the western Indians have to depend more and more upon agriculture and the Government, the noble animal of the prairies is being appreciated at its real value. Mr. (afterwards Sir) John Christian Schultz, declared upon the occasion referred to that :

"Hundreds of thousands of dollars were being spent for the maintenance of a Government and police force in the North-West. The Treaties made were not likely to be satisfactory to the Indians when the settlement of the country pressed upon them, and it was clearly the duty of the Government, who were by law constituted the guardians of this little understood and often traduced race, to see that, while by the stipulations of their Treaties they were allowed to hunt over the land which, often with many misgivings and under pressure of necessity they had sold, this game, the best gift in their opinion that the Great Spirit had given, should be preserved to them and for their use against the present wholesale destruction and inevitable extermination."

Mr. Donald A. Smith (now Lord Strathcona and Mount Royal) said that he was happy to be able to concur entirely with the Hon. member for Lisgar (Mr. Schultz). "It was very necessary

that some steps should be taken to prevent the entire destruction of the buffalo in the North-West. This was a matter in which there might be reciprocity with the United States. We should give them the same measure which they gave us. They did not permit any except American citizens to go to their territories and trade and hunt, and even their own citizens were forced to get licenses. The slaughter and disappearance of the buffalo was owing, in a large measure, to the inducements held out to American traders. A large number of the robes went to the other side; and, while the Canadian trader lost profit so far as this was concerned, the buffalo were also rapidly decreasing, or rather, gradually but surely being killed out. He hoped that the Government would be able to devise some means to exclude to some extent the ingress of American traders, and also, as far as possible, to give protection to the buffalo."

**An international incident which occurred in 1873-7,** illustrates the difference between the treatment of Canadian and American Indians, and brings into strong relief the character of a man who, in 1897, has just been appointed Administrator of the Canadian Yukon.

The United States military authorities having in 1873 called upon Sitting Bull, who, with a large force had got into conflict with the settlers in Montana, to surrender, the celebrated Sioux refused, and Generals Crook, Terry, Gibbon, and Custer were sent from different directions to operate against him. General Gibbon found him, but was afraid with only 600 men to oppose the three thousand warriors who were behind Sitting Bull, and awaited re-enforcements. Sitting Bull gave battle to General Crook and stopped his advance. Hearing that General Custer was on his way to attack him, he crossed over to the Little Big Horn. Custer gave battle, but having been drawn into an ambush, was cut down with his entire command after a bloody struggle. Sitting Bull had thus earned for himself the double reputation of being a skilful commander and a merciless savage. Knowing that the whole military force of the United States would now be employed against him, the Indian leader crossed the line into Canada, with all his followers.



The nearest Canadian fort or military outpost was Fort Walsh, called after the local commanding officer of the North-West Mounted Police. Major Walsh was really the organizer of that force, and the first officer appointed to its command. At that time the Police numbered only 164, and he was at the head of the frontier division, where all the active work had to be done, and in connection with which there were thousands of Indian lodges distributed amongst the Crow Indians, the Sioux, the Gros Ventres, and the Assiniboines, and covering about four hundred miles of frontier. The Police Inspector, as he was called, had established himself in the Cypress Hills, and at once built what became known as Fort Walsh. In selecting this spot, the gallant young Canadian, with a force of only about fifty men, settled in the very heart of the Indian camps. He was, in fact, completely surrounded by strong and powerful tribes—Crees, Salteaux, Assiniboines, Piegans, Bloods, Blackfeet, Gros Ventres and Sioux, numbering altogether some eight or nine thousand savages. There were some really intrepid chiefs amongst them, such as Long Lodge, of the Assiniboines; Broad Trail, Spotted Eagle, of the No Bows; and now the renowned Sitting Bull was added to the number.

When the news reached the Fort that Sitting Bull had crossed the line and was camped with one thousand warriors about thirty miles away, Major Walsh set out at once with an escort of four men and rode into the Sioux camp, where he actually slept all night. This was a piece of daring characteristic of the Inspector, and it no doubt gave him an advantage which he followed up and never lost. In the morning he held a Council with the Chiefs, and informed Sitting Bull in the most unmistakable language that if he desired to remain upon British soil he could only do so by strictly obeying the laws. The Chief replied that he had buried the hatchet, attributed his success against the American troops to the Great Spirit, and promised to submit to Canadian regulations and laws.

When he had finally assembled his scattered forces and organized them Sitting Bull was found to have 1,000 lodges, 8,000 head of horses, and about 3,500 warriors. It will, therefore, be seen what a tremendous force of renowned Indian

fighters had projected themselves into Major Walsh's district. The matter naturally gave the Ottawa Government much concern, and when the Dominion authorities received the assent of the United States Government to their proposition that a special Commission should be sent to entice Sitting Bull back across the boundary, Major Walsh was assigned the delicate task of persuading him to meet and confer with the detested Americans. In order to estimate the influence of Major Walsh over this savage warrior it must be remembered that he alone of all the great Chiefs, such as Red Cloud, and Spotted Tail of the Sioux, held out implacably against the whites, and regarded the Americans from first to last with a deep and terrible hatred.

A somewhat famous interview between General Terry, General Miles, Sitting Bull, Colonel McLeod and Major Walsh, took place at Fort Walsh in 1877, and was the result of the Major's influence over the Indian Chief, as the latter's peaceful residence on the border for some years had been due to his respect for British law and Canadian policy toward the Indians. Major Walsh finally induced Sitting Bull to surrender upon promise of an amnesty, and it is on record that one of the requests made by the Chief was for liberty to cross the line when he wished, for the purpose of visiting the Canadian officer. Before he left Canada the renowned warrior presented the Major with his famous war-bonnet, saying: "Take it, my friend, and keep it. I hope never to have use for it again. Not a feather there but marks some deed done in war while yet the Sioux were strong." In 1888 the Sioux Chief prevented his people from selling their lands to the United States Government, and in December, 1890, while an effort was being made to arrest him, he was treacherously shot dead by the American officer in command.

**No reference to the Indian race would be complete without some study of its inter-mixture by blood with the white man. This process has been going on in Canada, sometimes perceptibly, sometimes not, until the Indian of to-day, in many parts of the country, is far more a white than a red man, and the half-breed has become an important factor in certain communities—**



decreasingly so as the general population increases. The Hurons of Lorette are an illustration to the point and the Commissioners of 1856 reported them the "most advanced in civilization in the whole of Canada," but added that "they have, by the inter-mixture of white blood, so far lost the original purity of race as scarcely to be considered as Indians." This admixture of the native and European races had been protracted through a period of two centuries, till they had lost their Indian language and substituted for it a French *patois*.

Sir Daniel Wilson, in 1874, made an elaborate study of this question and to him is due the considerations which follow. The hereditary right of this tribal remnant to a share in certain Indian funds forms, he thinks, the sole inducement to perpetuate their descent from the Huron nation, and but for this they would long since have merged in the common stock. "Yet the results would not have been eradicated, but only lost sight of. Their baptismal registers and genealogical traditions supply the record of a practical, though undesigned, experiment as to the influence of hybridity on the perpetuation of the race, and show the mixed descendants of Huron and French blood still, after a lapse of upwards of two centuries, betraying no traces of a tendency towards infertility or extinction. In the Maritime Provinces the Micmacs are the representatives of the aboriginal owners of the soil. Small encampments of them may be encountered in summer on the lower St. Lawrence, busily engaged in the manufacture of staves, barrel-hoops, axe-handles and baskets of various kinds, which they dispose of with much shrewdness to the traders of Quebec and the smaller towns on the Gulf. So far as I have seen, the pure-blood Micmac has more of the dark red, in contrast to the prevalent olive hue, than any other Indian. But the Micmacs of Nova Scotia and New Brunswick reveal the same evidence of inevitable amalgamation with the predominant race as elsewhere." Sir William Dawson, indeed, found great difficulty in the early Seventies in obtaining even one photograph of a pure-blood representative of the tribe.

Turning to the influence of this inter-mixture upon the settlement of the far west, and the his-

toric process by which it was evolved, Sir Daniel Wilson points out that at every fresh stage of colonization, or of pioneering into the wilderness, the work had necessarily to be accomplished by hardy young adventurers, or by hunters and trappers. It was rare, indeed, for such to be accompanied by wives or daughters. Where they found a home they took to themselves wives from among the native women; and their offspring shared in whatever advantages the father might transplant with him to his home in the wilderness. To such mingling of blood, in its less favourable aspects, the prejudices of the Indian presented little obstacle. Henry, in his narrative of travel among the far western Christmeaux upwards of a century ago, after describing the dress and allurements of the women, adds: "One of the chiefs assured me that the children borne by their women to Europeans were bolder warriors and better hunters than themselves." This idea recurs in various forms. The half-breed lumberers and trappers have been valued throughout pioneer Canada for their hardihood and patient endurance; the half-breed hunters and trappers have always been highly esteemed in the Hudson's Bay territory; and beyond their remotest forts, Dr. Kane reports as his experience within the Arctic circle that "the half-breeds of the coast rival the Eskimos in their powers of endurance."

Thus far, the late President of Toronto University thinks, the admixture of blood has not been prejudicial to either race. "But whatever be the characteristic of the Indian half-breed," he proceeds to say, "the fact is unquestionable that all along the widening outskirts of the new clearings, and wherever an outlying trading or hunting post is established, a fringe of half-breed population is to be found marking the transitional border-land which is passing away from its aboriginal claimants. On first visiting Sault Ste. Marie at the entrance to Lake Superior, in 1855, I was struck to find myself in the midst of a considerable population, with all the ordinary characteristics of a frontier town, of whom few had not obvious traces of Indian blood in their veins, from the immediate Metis or half-breed, to the slightly marked, remote descendant of Indian maternity, recognizable by the abundant straight black hair,

the square jaw, and a singular watery glaze in the dark eye, not unlike that of an English gypsy. At all white settlements on the frontier, or in the vicinity of Indian reserves, a similar mixed population is to be seen, employed not only as fishers, trappers, and lumberers, but engaged on equal terms with the whites in the trade and business of the place. In this condition the population of every frontier settlement exists; and, but for the enormous direct emigration from Europe, must have largely affected the Anglo-American race."

But it is in the old-time Red River settlement of Manitoba—the prosperous Winnipeg city and district of to-day—that the half-breed element has found its most important and historic place. There had long existed on the Red River a settlement, which had commenced in 1811 under the auspices of Lord Selkirk, and afterwards been transferred to the Hudson's Bay Company. It was originally formed of hardy Orkney men and Sutherlandshire Highlanders, but in 1813 the population did not exceed a hundred in number; and in the subsequent rivalry between the Hudson's Bay and North-West Companies, no effort was spared to break up the infant colony. On the amalgamation of the companies, the settlement revived, and before very long numbered upwards of two thousand whites, chiefly occupied in farming, or in the service of the Company. At a later date, another settlement was formed on the Assiniboine River, chiefly by French-Canadians. Sir Daniel Wilson points out that here, as elsewhere in these northern districts, the settlers consisted chiefly of young men. "They had no choice but to wed or cohabit with the Indian women; and the result has been, not only the growth of a half-breed population greatly outnumbering the whites, but the formation of a tribe of half-breeds, divided into two distinct classes, according to their Scottish or French paternity, who have hitherto kept themselves distinct in manners, habits and allegiance, alike from the whites and the Indians." Of course, this was written in 1874, and very important changes have taken place since. But the following, as well as already-quoted remarks, are none the less of much value. He believed this rise of an independent half-breed race to have been one of the most remarkable results of a great, though undesigned,

ethnological experiment which had been in progress ever since the meeting of the diverse races of the Old and New World on the continent of America.

These half-breed buffalo hunters were wholly distinct from the civilized settlers, and yet more nearly related to them than to the wild Indian tribes. They belonged to the settlement, possessed land, and cultivated farms, though their agricultural labours were very much subordinated to the claims of the chase, and they scarcely aimed at more than supplying their own wants. They were divided into two bands, and numbered in all between six and seven thousand. The two divisions had their separate tribal organizations and distinct hunting-grounds. They were a hardy race, capable of enduring the greatest privations and had adopted the Roman Catholic faith. The Mass was often celebrated on the prairie, and was viewed as a guarantee of success in the hunting-field. On their expeditions, it has to be borne in mind, they were not tempted either by mere love of the chase or by the prospect of a supply of game; winter-hunting supplied to the trapper the valued peltries of the fur-bearing animals. But on the summer and autumn buffalo hunts depended the supply of the pemmican which furnished one of the main resources of the whole Hudson's Bay population. The summer hunt kept them abroad on the prairie from about the 15th of June to the end of August, and smaller bands resumed the hunt in the autumn.

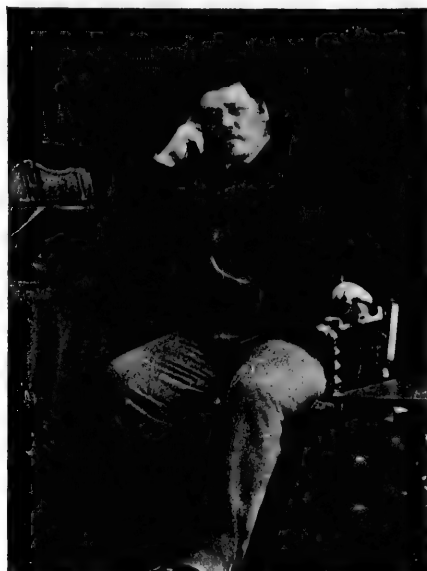
Some of the half-breeds, in the early days of settlement and in some sections of the prairie empire over which they roamed, regarded the Sioux and Blackfeet as their natural enemies, and carried on warfare with them much after the fashion of the Indian tribes which had acquired firearms and horses; but they gave proof of their "Christian" civilization by taking no scalps. In the field, whether preparing for hunting or war, the superiority of the half-breeds was strikingly apparent. They then displayed a discipline, courage and self-control of which the wild Sioux, Crees, or Blackfeet were wholly incapable; and therefore, in these tribal conflicts, looked with undisguised contempt on their Indian foes. With the origin and qualities of this now diminishing class Sir Daniel dealt further in the following statement:

"A few years since I printed and circulated, as widely as possible, a set of queries relative to the Indian and half-breed population both in Canada and the Hudson's Bay Territory; and from the returns made to me by Hudson's Bay factors, missionaries and others, most of the following results are derived: The number of the settled population, either half-breed or more or less of Indian blood, in Red River and the surrounding settlements was about 7,200. The intermarriage there has been chiefly with Indian women of the Plain Crees, though alliances also occur with the Swampies (another branch of the Crees), and with Sioux, Chippewa and Blackfeet women. But the most noticeable differences are traceable to the white paternity. The French half-breeds have more demonstrativeness and vivacity, but they are reported to take less readily to the steady drudgery of the farm than those of Scotch descent. But, at best, the temptations of a border settlement, with its buffalo hunts and its chief market for peltries, must greatly interfere with the industrious habits common in old settled agricultural communities.

A few of the special facts ascertained as the result of my researches may be noted here. The half-breeds are a large and robust race, with greater powers of endurance than the native Indians. Mr. S. J. Dawson, of the Red River Exploring Expedition, speaks of the French half-breeds as a gigantic race as compared with the French-Canadians of Lower Canada. Professor Hind refers in equally strong language to their great physical powers and vigorous muscular developments; and the Venerable Archdeacon Hunter, of Red River, replies in answer to my inquiry: 'In what respects do the half-breed Indians differ from the pure Indians as to habits of life, courage, strength, increase of numbers, etc.?' 'They are superior in every respect, both mentally and physically.' Much concurrent evidence points to the fact that the families descended from mixed parentage are larger than those of the whites; and, though the results are in some degree counteracted by a tendency to consumption, yet it does not amount to such a source of diminution on the whole as to interfere with their steady numerical increase. One of the questions circulated by me was in this form: 'State any facts tending to prove or disprove that the offspring descended from mixed white and Indian blood fails in a few generations.' To this the Rev. J. Gilmour answers: 'I know many large and healthy families of partial Indian blood, and have formed the opinion that they are likely to perpetuate a hardy race.' Archdeacon Hunter, familiar with the facts among the mixed population of the Red River Settlement, answers still

more decidedly: 'The offspring descended from mixed white and Indian blood does not fail; but, generally speaking, by intermarriage it becomes very difficult to determine whether they are pure whites or half-breeds.'

**The Hon. John Norquay, Premier of Manitoba** for many years, was a striking personality, and embodied in himself the strongest qualities of the half-breed race. Born in 1841, at St. Andrews, Manitoba, when the great province of the future was undreamt of, he came to the front during the Riel rebellion of 1869-70. In that crisis, his



The Hon. John Norquay.

moderate views and ability won the confidence of both half-breeds and whites. After the settlement of the troubles, the union with Canada, and the establishment of self-government, he became Minister of Public Works, and in 1876, Prime Minister of the Province. This position he held for more than ten years, and did much to develop the material interests of Manitoba and soothe the asperities natural to a new, mixed and struggling community. But the striking point in his career was the personality of the man, the

virile, forceful disposition, the large vigorous frame, the Indian nature so clearly and closely combined with that of the white man. He died in 1889.

**The French half-breeds of the North-West** are thus referred to by Lieut.-Governor Morris, in his volume dealing with the Indian Treaties: "These people are mainly of French-Canadian descent, though there are a few of Scotch blood in the Territories. Their influence with the Indian population is extensive. In Manitoba there is a large population of French Metis and Scotch half-breeds, and they are proud of their mixed blood. This race is an important factor with regard to all North-West questions. His Excellency, the Earl of Dufferin, with his keen appreciation of men and facts, astutely measured the position, and thus referred to them in his speech at a banquet in his honour given by the citizens of the whilom hamlet, and now city of Winnipeg, on the occasion of his visit to the Province of Manitoba in the year 1877:

'There is no doubt that a great deal of the good feeling thus subsisting between the red men and ourselves is due to the influence and interposition of that invaluable class of men, the half-breed settlers and pioneers of Manitoba, who, combining as they do, the hardihood, the endurance and love of enterprise generated by the strain of Indian blood within their veins, with the civilization, the instruction and the intellectual power derived from their fathers, have preached the gospel of peace and good will and mutual respect with equally beneficent results to the Indian chieftain in his lodge, and to the British settler in the shanty. They have been the ambassadors between the east and the west; the interpreters of civilization and its exigencies to the dwellers on the prairies; as well as the exponents to the white man of the consideration justly due to the susceptibilities, the sensitive self-respect, the prejudice, the innate craving for justice of the Indian race. In fact, they have done for the colony what otherwise would have been left unaccomplished, and have introduced between the white population and the red man a traditional feeling of amity and friendship, which but for them it might have been impossible to establish.'

For my own part, I can frankly say that I always had the confidence, support and active co-operation of the half-breeds of all origins in my negotiations with the Indian tribes, and I owe

them this full acknowledgment thereof. The half-breeds in the Territories are of three classes: 1st, those who, as at St. Laurent, near Prince Albert, the Qu'Appelle Lakes and Edmonton, have their farms and homes; 2nd, those who are entirely identified with the Indians, living with them and speaking their language; 3rd, those who do not farm, but live after the habits of the Indians, by the pursuit of the buffalo and the chase."

**A Special Report** was submitted to the Hon. Hamilton Fish, United States Secretary of State, on January 21, 1870, by Mr. F. N. Blake, United States Consul at Fort Erie, upon the treatment, condition and habits of the Indians of British America. The following summary is of importance in estimating the general position and recent history of the Canadian tribes:

The common desire to assimilate the Indians to the other population of Canada found its first expression in "An Act (20 Vict., Cap. XXVI.) to encourage the gradual civilization of the Indian tribes in this Province," which received the Royal assent 10th June, 1857. Its avowed purpose was also defined in the preamble to be the "gradual removal of all legal distinctions between them and Her Majesty's other Canadian subjects, and to facilitate the acquisition of property, and of the rights accompanying it, by such individual members of the said tribes as shall be found to desire such encouragement and to have deserved it."

The Act defined who should be regarded as Indians and entitled to the special benefit of a previous "Act for the protection of the Indians in Upper Canada from imposition, and the property occupied or enjoyed by them from trespass or injury." It enacted that every male Indian, not under twenty-one years of age, who was able to speak, read and write either the English or the French language readily and well, and was sufficiently advanced in the elementary branches of education, and of good moral character, and free from debt, might offer himself for examination to three Commissioners appointed for that purpose, one of whom was to be the superintendent of his tribe, another its missionary, and the third an appointee of the Governor. If they reported favourably to the application, the Governor might give notice in the *Official Gazette* of the enfranchise-

ment of such Indians, between whose rights and liabilities and those of Her Majesty's other subjects no past enactments would thenceforth make any distinction, and he was no longer legally deemed to be an Indian.

Provision was also made by which Indians over twenty-one, but not over forty years of age, and who could neither read nor write, but could speak English and French readily, and were of sober and industrious habits, free from debt, and sufficiently intelligent to manage their own affairs, might enter upon a state of three years' probation, with the approval of the Commissioners, and at the end of that time might, with the approval of the Commissioners and Governor, be enfranchised. Notice of such enfranchisement was to be given in the *Official Gazette*.

Such enfranchised Indian would be entitled to not more than fifty acres out of the land set apart for the use of his tribe, and to receive in money a sum equal to the principal of his share in the annuities and yearly revenues of his tribe. By acquiring the rights of a white man, he would cease to have any voice in the proceedings of the tribe, and by receiving the land and money he would forego all further claim to the land or money of his tribe, except a proportional share in other lands which such tribe might thereafter sell.

The wife, widow and lineal descendants of such an enfranchised Indian would also be enfranchised, but under certain provisions remain entitled to their respective shares of all annuities or annual sums payable to the tribes. Such an Indian would only have a life estate in his lands, and might dispose of it by will to any of his descendants, and if he died intestate they would inherit it. His estate therein was liable for his debts, but he could not otherwise alienate or mortgage it.

The same Act provided that Indian reserves or any part of them might be attached to school districts or sections. The Act of 1857 was repealed in 1859, when another Act (Cap. IX., 22 Vict.) was passed respecting the civilization and enfranchisement of Indians. This was one of the consolidated statutes, and adopted the main provisions of the previous Act, but was repealed by the Dominion Act of 1868, (Cap. VI., 32-33

Vict., s. 23) which provided "for the organization of the department of the Secretary of State of Canada and for the better management of Indian and ordnance lands." Mr. Blake declares that this and the supplementary enactment of the following year were liberal in their spirit and comprehensive in the views they involved, while so much intelligence and careful scrutiny were displayed in their details that he is unable to comply with the request to give proper official information in regard to the treatment of the Indians, and the measures to bring them into habits of civilization in British North America, without presenting a brief abstract of both Acts. This is done as follows:

"By the Act of 1868, the Secretary of State is also Registrar-General and Superintendent-General of Indian affairs, and has the control and management of Indian affairs in Canada. It was enacted that all lands reserved or held in trust for Indians should continue to be held for the same purposes as before, but subject to the provisions of this Act, and should not be alienated or leased until surrendered to the Crown for the purposes of this Act. All moneys or securities belonging to the Indians remain applicable as before, subject to the provisions of this Act. No land belonging to any Indians or individual Indian can be legally surrendered without consent of the chief or a majority of the chiefs of the tribe, formally summoned and held in the presence of the Secretary of State, or an officer duly authorized to attend such council by the Governor-General or the Secretary of State, and no chief or Indian shall vote or be present at such council unless he habitually resides on or near the land in question. The fact of such surrender must be certified on oath before some judge of a Superior, County or District Court, by the officers appointed to attend the council, and by one of the chiefs then present, and be transmitted to the Secretary of State, and submitted to the Governor-in-Council for acceptance or refusal."

Mr. Blake goes on to say that the Canadian Commissioners of 1856 declared as one of the results of their enquiries, that they were unable to discover any reason why the Indians should not in time take their place among the rest of the population in Canada. He adds in his own behalf that: "A labourious and impartial investigation, conducted with the benefit of their observations and the additional data of the last twelve years, has led me also to the conclusion that although the Indians cannot be suddenly trans-

formed from their original condition of savage hunters to that of farmers and mechanics, they are capable of civilization, and that the well-directed and persistent efforts made in Canada have been so far successful as to leave little room for doubt that their future triumph will be complete. Whatever may be the ultimate result, those who have aided in this honourable effort may safely be assured that their country will be known in history as having striven to do justice to the aborigines whom the white men found in possession of it, and that they have so far founded their empire or dominion upon the principles of humanity and true civilization."

**In British or Canadian constitutional documents** there are various references to the Indians. The Marquess de Vaudreuil demanded in connection with the capitulation of Montreal, in 1760, that: "The British General shall engage to send back to their own homes the savage Indians and Monaigans who make part of his armies, immediately after the signing of the present capitulation; and in the meantime, in order to prevent all disorders on the part of those who may not have gone away, the said General shall give safe-guards to such persons as shall desire them, as well in the town as in the country." General Amherst replied with evident indignation: "The first part refused. There never have been any cruelties committed by the Indians of our army, and good order will be preserved." The following enactment was announced in the Royal Proclamation of 1763:

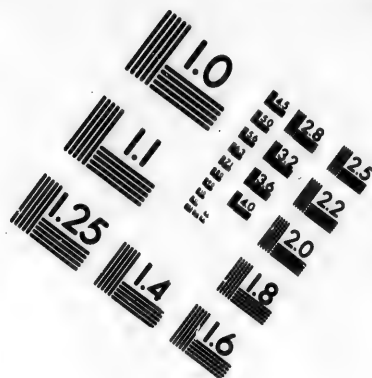
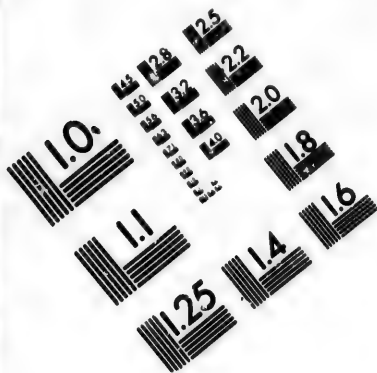
"And whereas it is just and reasonable, and essential to our interest and the security of our colonies, that the several nations or tribes of Indians with whom we are connected, and who live under our protection, should not be molested or disturbed in the possession of such parts of our dominions and territories as, not having been ceded to us, are reserved to them, or any of them, as their hunting-grounds; we do, therefore, with the advice of our Privy Council, declare it to be our Royal will and pleasure that no Governor or Commander-in-Chief in any of our colonies of Quebec, East Florida, or West Florida do presume upon any pretence whatever to grant warrants of survey, or pass any patents for lands

beyond the bounds of their respective governments as described in their commissions; as also that no Governor or Commander-in-Chief of our other colonies or plantations in America do presume for the present, and until our further pleasure be known, to grant warrants of survey, or pass any patents for lands beyond the heads or sources of any of the rivers which fall into the Atlantic Ocean from the west or northwest; or upon any lands whatever which, not having been ceded to or purchased by us, as aforesaid, are reserved to the said Indians or any of them.

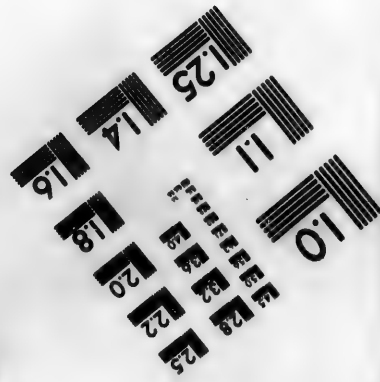
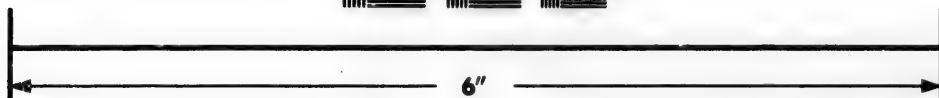
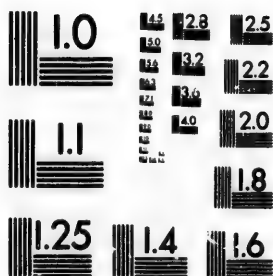
And we do further declare it to be our Royal will and pleasure, for the present as aforesaid, to reserve under our sovereignty protection, and dominion, for the use of the said Indians, all the land and territories not included within the limits of our said three new governments, or within the limits of the territory granted to the Hudson's Bay Company: as also the land and territories lying to the westward of the sources of the rivers which fall into the sea from the west and northwest as aforesaid; and we do hereby strictly forbid, on pain of our displeasure, all our loving subjects from making any purchases or settlements whatever, or taking possession of any of the lands above reserved, without our special leave and license for that purpose first obtained.

And we do further strictly enjoin and require all persons whatsoever, who have either wilfully or inadvertently seated themselves upon any lands within the countries above described, or upon any other lands which, not having been ceded to or purchased by us, are still reserved to the said Indians as aforesaid, forthwith to remove themselves from such settlements.

And whereas great frauds and abuses have been committed in the purchasing lands of the Indians, to the great prejudice of our interests and to the great dissatisfaction of the said Indians; in order, therefore to prevent such irregularities for the future, and to the end that the Indians may be convinced of our justice and determined resolution to remove all reasonable cause of discontent, we do, with the advice of our Privy Council, strictly enjoin and require that no private person do presume to make any purchase from the said Indians of any lands reserved to the said Indians within those parts of our colonies where we have



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thought proper to allow settlement ; but that, if at any time any of the said Indians should be inclined to dispose of the said lands, the same shall be purchased only for us, in our name, at some public meeting or assembly of the said Indians, to be held for that purpose by the Governor or Commander-in-Chief of our colony respectively, within which they shall lie ; and, in case they shall be within the limits of any Proprietaries, conformable to such directions and instructions as we or they shall think proper to give for that purpose ; and we do, by the advice of our Privy Council, declare and enjoin that the trade of the said Indians shall be free and open to all our subjects whatever, provided that every person who may incline to trade with the said Indians, do take out a license for carrying on such trade from the Governor or Commander-in-Chief of any of our colonies respectively, where such person shall reside, and also give security to observe such regulations as we shall at any time think fit, by ourselves or Commissaries to be appointed for this purpose, to direct and appoint for the benefit of the said trade ; and we do hereby authorize, enjoin and require the Governors and Commanders-in-Chief for all our colonies respectively, as well those under our immediate government as those under the government and direction of Proprietaries, to grant such licenses without fee or reward, taking special care to insert therein a condition that such license shall be void, and the security forfeited, in case the person to whom the same is granted shall refuse or neglect to observe such regulations as we shall think proper to prescribe, as aforesaid."

**From the Indian Act of 1876 most beneficial results were expected.** It, of course, applied to all portions of the Dominion, and certain of its provisions may be given here as being still in all essential features the law of the land. In regard to the protection of Reserves, Section II provided that :

"No person or Indian other than an Indian of the band shall settle, reside, or hunt upon, occupy or use any land or marsh, or shall settle, reside upon or occupy any road, or allowance for roads running through any Reserve belonging to or occupied by such band ; and all mortgages or

hypothecs given or consented to by any Indian, and all leases, contracts and agreements made or purporting to be made by any Indian, whereby persons or Indians other than Indians of the band are permitted to reside or hunt upon such Reserves, shall be absolutely void."

The next following sections provided for the removal by the authorities of any person (white man or Indian) so trespassing and for his incarceration in gaol should he return after the first removal ; they also provided penalties for any one removing unlawfully from a Reserve any timber, stone, mineral, or other article of value. No Reserve or portion of a Reserve could be sold, alienated, or leased until it had been released or surrendered to the Crown for the purposes of this Act, and no such release and surrender were to be valid without the assent of the majority of the band in council assembled. The next sections provided for the punishment of any agent giving false information in regard to land, or hindering any person from bidding upon or purchasing lands offered at public sale.

Sections 59 and 60 enacted that : "The Governor-in-Council may, subject to the provisions of this Act, direct how, and in what manner, and by whom the moneys arising from sales of Indian lands, and from the property held or to be held in trust for the Indians, or from any timber on Indian lands or Reserves, or from any other source for the benefit of Indians (with the exception of any small sum not exceeding ten per cent. of the proceeds of any lands, timber or property, which may be agreed at the time of the surrender to be paid to the members of the band interested therein), shall be invested from time to time, and how the payments or assistance to which the Indians may be entitled shall be made or given, and may provide for the general management of such moneys, and direct what percentage or proportion thereof shall be set apart from time to time, to cover the cost of and attendant upon the management of the Reserves, lands, property and moneys under the provisions of this Act, and for the construction or repair of roads passing through such Reserves or lands, and by way of contribution to schools frequented by such Indians. The proceeds arising from the sale or lease of any Indian lands, or from the timber, hay, stone,

minerals or other valuables thereon, or on a Reserve, shall be paid to the Receiver-General to the credit of the Indian Fund."

The portion of the Act having reference to intoxicants was properly very stringent :

"Whoever sells, exchanges with, barter, supplies or gives to any Indian, or non-treaty Indian in Canada, any kind of intoxicant or causes or procures the same to be done, or connives or attempts thereat, or opens or keeps, or causes to be opened or kept, on any Reserve or special Reserve, a tavern, house or building where any intoxicant is sold, bartered, exchanged or given, or is found in possession of any intoxicant in the house, tent, wigwam or place of abode of any Indian or non-treaty Indian, shall, on conviction thereof before any judge, stipendiary magistrate, or two justices of the peace, upon the evidence of one credible witness other than the informer or prosecutor, be liable to imprisonment for a period not less than one month nor exceeding six months, with or without hard labour, and be fined not less than fifty nor more than three hundred dollars, with costs of prosecution—one moiety of the fine to go to the informer or prosecutor, and the other moiety to Her Majesty, to form part of the Fund for the benefit of that body of Indians or non-treaty Indians, with respect to one or more members of which the offence was committed; and the commander or person in charge of any steamer or other vessel, or boat, from or on board of which any intoxicant has been sold, bartered, exchanged, supplied or given to any Indian or non-treaty Indian, shall be liable, on conviction thereof before any judge, stipendiary magistrate, or two justices of the peace, upon the evidence of one credible witness other than the informer or prosecutor, to be fined not less than fifty nor exceeding three hundred dollars for each such offence, with costs of prosecution—the moieties of the fine to be applicable as hereinbefore mentioned; and in default of immediate payment of such fine and costs any person so fined shall be committed to any common gaol, house of correction, lock-up, or other place of confinement, by the judge, stipendiary magistrate, or two justices of the peace before whom the conviction has taken place, for a period of not less than one nor more than six months, with or without hard labour, or until such fine and costs are paid; and any Indian or non-treaty Indian who makes or manufactures any intoxicant, or who has in his possession, or concealed, or who sells, exchanges with, barter, supplies or gives to any other Indian or non-treaty Indian in Canada any kind of intoxicant shall, on conviction thereof, before any judge, stipendiary magistrate, or two justices of the peace, upon the

evidence of one credible witness other than the informer or prosecutor, be liable to imprisonment for a period of not less than one month nor less than six months, with or without hard labour; and in all cases arising under this section, Indians or non-treaty Indians shall be competent witnesses; but no penalty shall be incurred in case of sickness where the intoxicant is made use of under the sanction of a medical man or under the directions of a minister of religion."

Provision was also made for the forfeiture of any keg, barrel, or other receptacle in which such liquor has been contained; and the punishment, by fine or imprisonment, of the Indian or other person in whose possession such keg, etc., might be found. The Act then went on to provide that boats or other vessels used in conveying intoxicants, in contravention of this Act, should be subject to seizure and forfeiture; that articles exchanged for intoxicants might be seized and forfeited; that Indians intoxicated might be arrested and imprisoned until sober, and fined, and further punished if they refused to say from whom they got the intoxicants.

The provision for the enfranchisement of the Indians was important :

"Whenever any Indian man, or unmarried woman, of the full age of twenty-one years, obtains the consent of the band of which he or she is a member to become enfranchised, and whenever such Indian has been assigned by the band a suitable allotment of land for that purpose, the local agent shall report such action of the band and the name of the applicant to the Superintendent-General, whereupon the said Superintendent-General, if satisfied that the proposed allotment of land is equitable, shall authorize some competent person to report whether the applicant is an Indian who, from the degree of civilization to which he or she has attained and the character for integrity, morality and sobriety which he or she bears, appears to be qualified to become a proprietor of land in fee simple; and upon the favourable report of such person the Superintendent-General may grant such Indian a location ticket as a probationary Indian for the land allotted to him or her by the band.

Any Indian who may be admitted to the degree of Doctor of Medicine, or to any other degree by any university of learning, or who may be ad-

mitted in any Province of the Dominion to practise law either as an Advocate or as a Barrister or Counsellor or Solicitor or Attorney, or to be a Notary Public, or who may enter Holy Orders, or who may be licensed by any denomination of Christians as a Minister of the Gospel, shall *ipso facto* become and be enfranchised under this Act. After the expiration of three years (or such longer period as the Superintendent-General may deem necessary in the event of such Indian's conduct not being satisfactory), the Governor may, on the report of the Superintendent-General, order the issue of letters patent, granting to such Indian in fee simple the land which had, with this object in view, been allotted to him or her by location ticket."

Provision was also made for the payment to the enfranchised Indian of his or her share of the funds at the credit of the band, and it was also ordered that the sections of the Act relating to enfranchisement should not apply to any band of Indians in the Province of British Columbia, the Province of Manitoba, the North-West Territories, or the Territory of Keewatin, save in so far as the said sections might by proclamation of the Governor-General, be from time to time extended, as they might be, to any band of Indians in any of the said Provinces or Territories. Changes in this Act were subsequently made to give voting powers to many Indians—especially in Ontario.

The second section of the Electoral Franchise Act of 1885 contained these apparently insignificant words: "The expression 'person' means any male person, including an Indian"; and all Indians of the older Provinces duly qualified were accordingly given the right to vote in the elections for members of the House of Commons. In the previous year the Indian Advancement Act had been passed, whereby any band of Indians who should show themselves fit were enabled to take upon themselves the full privileges, responsibilities and advantages of municipal government, and there was further provision made to meet the case of Indians who might desire to separate from their tribal connections and settle down to life on their own account—an allotment of land from the Reserve being granted to such and guarded by conditions which prevented alienation or mortgaging.

**By the Census of 1890 the Indian population of Canada was placed at 122,585. This was divided amongst the various Provinces as follows:**

Ontario.....	17,776
Quebec.....	13,599
Nova Scotia.....	2,107
New Brunswick.....	1,569
Prince Edward Island.....	321
Manitoba and the Territories.....	25,743
British Columbia.....	35,416
Yukon, Peace River District, etc.....	26,054

Of course some of these figures are only estimates. The Canadian Indians are about stationary in numbers, however, as compared with a steady decrease in the United States. For a time after the cessation of the wars between England, France and the American Republic there seems little doubt that the Indian population in the latter country increased; and Zedediah Morse, in his Report of 1822, places their numbers at 471,000. The United States Census of 1890 places them at 248,253. Depredations by unscrupulous land-hunters, oppression by ruthless and irresponsible agents of the Government, wars brought on by these causes, and the effect of removal from cherished locations to other distant and colder regions—such as the memorable Cherokee nation removal in 1838 through a fraudulent treaty and the aid of 8,000 troops—have, in the Republic, had their natural consequences.

The annual expenditure upon the Indians in Canada is considerable. They had at their credit in the Indian Fund a sum of \$3,594,206 on June 30th, 1895. The expenditure from this fund, chiefly interest, was in that year \$246,521, and the amount expended by Parliamentary appropriation was \$955,404. This is the average yearly sum spent by Canada upon the aborigines, while the Indian Fund itself—which consists of moneys accrued from annuities, secured to the Indians under treaty, and from sales of land, timber, stone, etc., surrendered by them, is slowly increasing. There is no contra demand by Government against this fund. In the United States it is different. The Government there held in 1890 \$31,200,000 in trust for the Indians, but against this there were claims which have since been considered in detail of nearly the same amount, for alleged Indian depredations upon the whites.

Differences in the administrative system of the two countries are now pretty generally recognized. A Report submitted to the President of the United States by Professor Marsh, in 1875, dealt vigorously with the corrupt and shameless conduct of the Indian agents, and two years later Bishop Butler, of the American Church, declared that "if the United States Indians were treated as fairly as those in Canada, there would be no wars." And an elaborate official work upon the Indians of the Republic, published in connection with the Census of 1890, states that "the leasing of his lands for the benefit of the Indian (in Canada) when he cannot use them is a feature worthy of imitation in this country. . . . The provision for municipal government by which Indians may have the regulation of their affairs in their own hands, in Canada, is also worthy of consideration in the United States." The great importance of this policy in Canada was shown during the Riel troubles of 1885, when that astute half-breed rebel was able to only win over a mere

handful of Indians from our western wilds. Had the latter taken up the tomahawk generally, the prairies would have been swept with a terrific storm of fire and blood.

**The Government policy towards the Indians** of Canada has always had in view their ultimate conversion into useful citizens, through interesting them in agricultural pursuits. Cattle, upon which they have in all districts to depend largely, and in some to look to as their mainstay, are carefully herded; and the practice of supplying the tribes with anything in the shape of harness, implements or utensils, which they can be taught to make for themselves, has of late been discontinued. Of course, much natural ignorance, superstition and inaptitude have to be overcome before the Indian can be persuaded to persevere in successful farming operations; but that the efforts of the Government are meeting with some success is shown by the following table of Indian farming transactions in 1895:

Provinces.	Resident Indian population.	Land, cultivated acres.	Land newly broken, acres.	Number of implements.	Number of horses, cattle, sheep, pigs, etc.	Bushels of grain.	Bushels of potatoes and roots.	Tons of hay.	Fish, furs and other industries.
Ontario.....	17,611	82,853	1,103	10,924	16,317	333,520	91,238	10,994	\$167,009
Quebec.....	7,426	10,761	118	2,467	2,811	51,707	23,080	2,806	101,788
Nova Scotia.....	2,164	2,388	50	398	346	1,046	6,598	1,038	30,748
New Brunswick.....	1,668	1,243	41	424	313	5,540	9,095	349	37,125
Manitoba and N.W.T.	23,683	12,364	1,096	23,627	24,502	53,107	57,744	36,978	263,918
British Columbia...	23,196	10,499	248	15,139	21,401	93,181	43,184	5,084	1,014,700
Prince Edward Isl'd	287	240	7	94	56	1,127	1,913	22	6,100
Total, 1895.....	76,035	120,348	2,663	53,073	65,746	539,228	232,852	57,271	1,621,388
Total, 1894.....	75,710	118,487	2,504	47,042	61,435	473,922	247,820	50,333	1,345,371

**Mr. Hayter Reed, in his last Report as Deputy Superintendent of Indian Affairs, stated the number of Indians in Canada during the last five years as follows:**

1892.....	106,205
1893.....	96,717

1894.....	97,227
1895.....	102,275
1896.....	100,027

The difference between these figures and those of the Census of 1890 is due to more exact knowledge respecting the aborigines of British Columbia

and of the Peace River and other comparatively unexplored regions. There appears to have been a gradual increase since 1893, which was suspended in 1896 and gave place to a decrease. Of those who are reported for the latter year 28,498 were Protestants, 42,454 Roman Catholics, 16,812 were Pagans, and the religion of 12,362 was unknown. Ontario had 17,663 Indians as against 17,307 in 1895. There were 1,526 Pagan Indians in that province, and of the balance 9,674 were Protestants and 6,167 Roman Catholics. The mortality among the Indians in the West was greater than the birth rate. This is attributed to the very early marriages and lack of experience of young mothers in caring for the young. Mr. Hayter Reed reported that, taking the Dominion throughout, the conduct of the Indians was all that could be expected, save as regards intemperance, of which there was still a good deal. There were 288 Indian schools, all told, attended by 9,714 pupils.

**There have been about 1540 Treaties with the Indians** under which lands have been transferred to the Crown in the several provinces of the present Dominion. It has been pointed out by the Dominion Statistician that some of these treaties and surrenders of territory are very old. Thus, No. 239 has articles of submission and agreement made at Boston, in New England; bears date 15th December, 1725; and contains the acknowledgement of the submission of the Indians of Nova Scotia, or Acadia, and New England to King George II., in connection with the Treaty of Utrecht, 1713. "Signed, sealed and delivered in the presence of the Great and General Court or Assembly of the province of Massachusetts Bay, and ratified at the Fort of Annapolis Royal, Nova Scotia," it bears traces of the fine work of Paul Mascarene, the well-known Governor of Nova Scotia.

Another is the Treaty of 1727. This was an alliance, offensive and defensive, between the English and the Indians, done at the Conference of Casco Bay, and signed on behalf of King George by William Dummer, Lieut.-Governor of Massachusetts Bay; J. Wentworth, Lieut.-Governor of New Hampshire; and P. Mascarene, Commissioner for the Government of Nova Scotia.

A third is the renunciation by the Chippewas, through their representatives and chiefs, to King George III., of the Island of Michilimackinac, called by the French Canadians "La Grosse Isle," the consideration money being "£5,000, New York currency," the Indians promising to preserve in the village a belt of wampum seven feet in length "to perpetuate, secure and be a lasting memorial of the said transactions to our nation for ever hereafter." The date is the 12th of May, 1781.

A fourth, dated 1790, conveys the area out of which have been cut the counties of Essex and Kent and portions of Elgin, Middlesex, and Lambton. The grantors are the principal village and war chiefs of the Ottawa, Chippewa, Pottawatomie and Huron nations around Detroit. The conveyance is to King George III., the payment of the consideration money, £1,200 Halifax currency, in valuable wares and merchandise, being made by Alexander McKee, Deputy Agent of Indian Affairs. Among the valuable wares and merchandise then given to the Indians were 840 pairs of blankets, ranging in price from 4/9 a pair to 12/-; 35 pieces of shrouds at 67/-; 140 yards of scarlet cloth at 8/-; 12 pieces of cadies, 420 yards, at 2/6; 26 pieces Embolton linen, 96 yards, at 15/-; 50 gross ribbons at 10/6; 100 pounds vermilion at 4/-; 1 dozen black silk handkerchiefs; 60 guns at 20/6; 20 rifles at 50/-; 1,000 pounds ball and shot at 21/- per 100 pounds; 2,000 flints at 10/- per 1000; 30 dozen looking-glasses at 3/- per dozen; 10 pairs callemaneon at 21/-; 1,000 fish hooks at 22/6; 39 gallons rum at 3/9; 400 pounds tobacco at 1/3; 24 laced hats at 20/-; 11 gross pipes at 1/6; 600 pounds brass kettles at 1/3 per pound, etc.

Among these early documents is one from Louis XIV., dated 29th May, 1680, granting the land called Le Sault, near the St. Louis rapids, to the Jesuits for the use of the Iroquois settled there. The grant "most expressly prohibits and forbids the French, who may live with, or go among, the said Iroquois and other Indian nations who may settle on the said land called Le Sault, from having and keeping any cattle, and all persons from keeping any public-houses among the dwellings of the said Iroquois, which may be built on the said land."

**The details of Canadian Treaties with the Indians** are important and have been dealt with at length by the late Lieut.-Governor Morris, the late William Leggo, of Winnipeg, and Mr. George Johnson, of Ottawa. From these authorities the following additional facts may be given:

Valuable minerals having been discovered on the northern shores of Lake Superior and Huron, the Government of the Province of Canada commissioned the late Hon. W. B. Robinson to negotiate with the Indians holding these lands, and that gentleman in 1850 made two treaties, which form the models upon which all subsequent treaties with the Indians of the North-West have been framed; their main features being annuities, reserves and liberty to hunt and fish on the lands until sold by the Crown. In 1862 the Government of the old Province of Canada obtained the surrender of the Indian title to the Great Manitoulin Island. In 1871 the Dominion Government set seriously to work to quiet the western Indians, who were then very restless, by arranging with them solemn treaties.

It was considered desirable to begin with the Ojibways or Chippewas found between Thunder Bay and the north-west angle of the Lake of the Woods. Mr. Wemyss McKenzie Simpson was appointed Indian Commissioner for the purpose. Having issued a proclamation inviting the Indians to meet him at Lower Fort Garry, or the Stone Fort, on 25th July, 1871, and at Manitoba Post, a Hudson's Bay Fort at the north end of Lake Manitoba, on the 17th August following, Mr. Simpson, accompanied by the Hon. A. G. Archibald, then Lieutenant-Governor of Manitoba and the North-West Territories, the Hon. James McKay, and Mr. Molyneux St. John, attended at these points, and, after much negotiation, succeeded in completing two treaties, known as Nos. One and Two. The principal features of these treaties, for they were identical, were the absolute relinquishment to Her Majesty of the Indian title to the tracts described; the reservation of tracts sufficient to furnish 160 acres to each Indian family of five; provisions for the maintenance of schools; the prohibition of the sale of intoxicating liquors on the Reserves; a present of three dollars to each Indian, and the payment of three dollars per head yearly

for ever. Roughly, these treaties secured the title to a tract of country extending from the present easterly boundary of Manitoba, westerly along the boundary line between Canada and the United States—the 49th parallel—about 300 miles, and running north about 250 miles, including the present Province of Manitoba, and forming an area of about 60,000 square miles of admirable land.

In the same year (1871), it was found necessary to obtain the title to the area from the watershed of Lake Superior to the north-west angle of the Lake of the Woods, and from the American boundary to the height of land from which the streams flow towards Hudson's Bay. This step had become necessary in order to render the route, known as the "Dawson route," secure for the passage of the immigrants, and to enable the Government to throw the land open for settlement. Messrs. W. M. Simpson, S. J. Dawson, and W. J. Pether were appointed Commissioners, and, in July, 1871, they met the Indians at Fort Francis. Difficulties arose, and no treaty was affected. The matter was adjourned, and the Indians were asked to consider the proposals and meet again during the following summer. But they were not ready then, and the negotiations were indefinitely postponed. In 1873, it was determined to make another effort, and a commission was issued to Mr. Morris, then Lieutenant-Governor; Lieut.-Colonel Provencher, who had in the meantime been appointed Commissioner of Indian Affairs in the place of Mr. Simpson, who had resigned; and Mr. Lindsay Russell—but the latter gentleman being unable to act, Mr. Dawson, afterwards M.P. for Algoma, was appointed in his stead. The Commission, thus organized, met the Indians at the north-west angle late in September, 1873, and after protracted and difficult negotiations succeeded in completing the Treaty Number Three.

This Treaty was of great importance. It released that portion of the North-West between the westerly boundary of Ontario and the Province of Manitoba, and extending north about 250 miles. Its width is about the same, and a territory of about 55,000 square miles was released from the Indian title. It was of the utmost consequence that these lands should be speedily secured because



the Dawson road ran over them: the Canadian Pacific Railway in its progress from Fort William to Selkirk on the Red river passed through them, and they were believed to be rich in minerals. The sharpness of the Indian, and his acuteness in bargaining, were for once conspicuously exhibited. Mr. Morris conducted the "palaver." The demands of the Indians, however, were somewhat unreasonable and the negotiations were several times on the point of being broken off. Nothing but the fortunate combination of skill, patience, firmness and good temper on the part of the Lieutenant-Governor could have enabled him to achieve the ultimate diplomatic triumph which was of the greater value since it struck the keynote of all the subsequent treaties, and taught the Indians that though the Government might be generous, it would none the less firmly resist imposition. Several days were consumed in fruitless talk; the Indians demanded a payment down of \$15 for every head then present; \$15 for each child thereafter to be born forever; \$50 each year for every chief; and other payments amounting to an additional \$125,000 yearly, and that in addition to their reserves of land and the right to hunt and fish. They had a very high and just estimate of the value of the territory. They evidently supposed it contained the precious metals, as during the council a speaker in the poetic style peculiar to the Indians, exclaimed: "The sound of the rustling of gold is under my foot where I stand: we have a rich country: it is the Great Spirit who gave us this; where we stand upon is the Indians' property, and belongs to them."

The next treaty was the Qu'Appelle (Who calls) treaty, or No. Four, and is named from the Qu'Appelle Lakes, where it was made. The Indians treated with were the Cree and Saulteaux tribes, and by it 75,000 square miles of most valuable territory were secured. It included a portion of the far-famed "fertile belt," and was the first step taken to bring the Indians of that splendid territory into close relations with the Government. It extends from the westerly limits of No. Two, westerly along the American boundary about 350 miles, and runs in a north-east direction to the head of Lake Winnipegosis, about 300 miles north of the international boundary. In his report for 1875, the Hon. Mr. Laird,

then Minister of the Interior, pays a high compliment to Mr. Morris, for he states "that it is due to the council to record the fact that the legislation and valuable suggestions submitted to Your Excellency from time to time, through their official head, Governor Morris, aided the Government not a little in the good work of laying the foundations of law and order in the North-West, in securing the good will of the Indian tribes, and in establishing the *prestige* of the Dominion Government throughout that vast country."

A commission was next issued to Mr. Morris, Mr. Laird and Mr. Christie, a retired factor of the Hudson's Bay Company and a gentleman of large experience among the Indian tribes. These gentlemen met the Indians in September, 1874, at Lake Qu'Appelle, three hundred and fifty miles nearly due west from Winnipeg, accompanied by an escort of militia under Col. Osborne Smith, C.M.G. The Commissioners were met again by somewhat excessive demands, and their difficulties were intensified by the jealousies existing between the Crees and the Chippewas; but through firmness, gentleness and tact they eventually succeeded in securing a treaty similar in terms to No. Three. The conference opened on the 8th September, and the first three days were entirely fruitless; the Indians seemed unwilling to begin serious work, for they were undecided among themselves and could not make up their minds to put forward their speakers. On the fourth day, Mr. Morris addressed them for the fourth time, and his speech, as given in his volume upon the subject, shows the style of thought and language which was found effectual with these children of the forest. Mr. Morris subsequently made a similar treaty at Fort Ellice with a few Indians who could not attend at Qu'Appelle, and he also in July, 1876, settled troublesome difficulties which had arisen out of Treaties One and Two.

In September, 1875, the Winnipeg or No. Five treaty was concluded. This covers an area of about 100,000 square miles. The territory lies north of that covered by Nos. Two and Three. Its extreme northerly point is at Split Lake, about 450 miles north of Winnipeg, and its width is about 350 miles. The region is inhabited by Chippewas and Swampy Crees. A

treaty had become urgently necessary. It includes a great part of Lake Winnipeg, a sheet of water three hundred miles in length, having a width of seventy miles. Red River empties into it, and Nelson River flows from it to Hudson's Bay. Steam navigation had been established on it before the treaty. A tramway of five miles was in course of construction to avoid the Grand Rapids, and connect that navigation with steamers on the River Saskatchewan. The Icelandic settlement, visited by Lord Dufferin, where he made one of his best speeches, was on the west side of the lake; and until the Pacific Railway supplied the want, this lake, with the Saskatchewan, was the thoroughfare between Manitoba and the more distant regions of the West. For these and other reasons the Minister of the Interior reported that "it was essential that the Indian title to all the territory in the vicinity of the lake should be extinguished so that settlers and traders might have undisturbed access to its waters, shores, islands, inlets and tributary streams. Mr. Morris and the Hon. James McKay were thereupon appointed Commissioners to treat with the Indians. They performed the work partly in 1875, and it was concluded in 1876 by the Hon. Thos. Howard and Mr. J. L. Reid, under instructions from Mr. Morris. The treaty was made at Norway House, at the foot of the lake, and its terms were identical with those of Nos. Three and Four, except that the quantity of land given to the families was smaller, and the gratuity was reduced from twelve to five dollars per head.

The Treaties Nos. One, Two, Three, Four and Five comprised an area of about 290,000 miles; but there was still an immense unsundered tract lying east of the Rocky Mountains, between the American boundary and the 55th parallel, containing about 170,000 square miles, which it was essential should be immediately freed from the Indian title. This was effected by Treaties Nos. Six and Seven. No. Six was made at Forts Carleton and Pitt. The great region covered by it—or rather by the two, forming together what is officially known as No. Six—embraces an area of about 120,000 square miles, and contains a vast extent of the most fertile lands of the North-West. The Crees were the owners of this magnificent

territory. They had, ever since 1871, been uneasy about their lands, and had frequently expressed their desire to treat with the Government. The Hon. Mr. Mills, Minister of the Interior, in his Report for 1876, thus alludes to the matter:

"Official reports received last year from His Honour Governor Morris and Col. French, the officer then in command of the Mounted Police Force, and from other parties, showed that a feeling of discontent and uneasiness prevailed very generally amongst the Assiniboinés and Crees lying in the unceded territory between Saskatchewan and the Rocky Mountains. This state of feeling, which had prevailed amongst these Indians for some time past, had been increased by the presence, last summer, in their territories, of the parties engaged in the construction of the telegraph line, and also of a party belonging to the Geological Survey. To allay this state of feeling and to prevent the threatened hostility of the Indian tribes to the parties then employed by the Government, His Honour Governor Morris requested and obtained authority to despatch a messenger to convey to these Indians the assurance that Commissioners would be sent this summer to negotiate a treaty with them, as had already been done with their brethren further east."

A commission was accordingly issued to Mr. Morris, the Hon. Mr. McKay and Mr. Christie. These gentlemen first met the Indians near Fort Carleton, on the Saskatchewan, in August, 1876, and succeeded in effecting a Treaty with the Plain and Wood Crees on the 23rd of that month and with the Willow Crees on the 27th. The negotiations were exceedingly difficult and protracted, and the temper, discretion and firmness of the Commissioners were put to the severest test. On the conclusion of the Treaty at Fort Carleton, the Commissioners proceeded to Fort Pitt, where they met with no further difficulty, and the Treaty was soon concluded. The Commissioners discovered amongst these Indians a strong desire for instruction in farming, and for missionary and educational aid.

Treaty No. Six extends from the westerly boundary of No. Five to the Rocky Mountains, a distance of about 600 miles, and from the northern boundaries of Nos. Seven and Four to the 55th parallel, the greatest width being about 300 miles. The projected route of the Canadian Pacific Railway passed through nearly its entire length. This

was the last Treaty in which Mr. Morris took a part. His term of office expiring in 1878, he left Manitoba and returned to Ontario. A comparatively small territory, however, lying between the Rocky Mountains and Nos. Four and Six, was still unceded, and as it was important to obtain the Indian title as soon as possible, a commission was issued in 1877 for the purpose to the Hon. David Laird, then Lieutenant-Governor of the North-West Territories, and Lieut.-Col. McLeod of the Mounted Police Force. This region was occupied by the Blackfeet. They met the Commissioners at the Blackfoot crossing on the Bow River on the 17th September, 1877, and after five days of tedious *pow-wowing*, the Treaty No. Seven was concluded. The terms were substantially the same as those of Nos. Three and Four, except that, as some of the bands desired to engage in pastoral instead of agricultural pursuits, they were given cattle instead of farming implements. The Minister of the Interior well observed in his ensuing Report that "the conclusion of this Treaty with these warlike and intractable tribes, at a time when the Indians, immediately across the border, were engaged in open hostilities with the United States troops, is certainly a conclusive proof of the just policy of the Government of Canada towards the aboriginal population." To this Mr. Morris adds these significant words in his record of the work thus done: "And of the confidence of the Indians in the promises and just dealing of the servants of the British Crown in Canada—a confidence that can only be kept up by the strictest observance of the stipulations of the treaties."

**One of the first Canadian Treaties** of importance with the Indians was arranged in 1836 by Sir Francis Bond Head, then Lieut.-Governor of Upper Canada. By this arrangement a large number of the aborigines were located upon Manitoulin Island after having first renounced their territorial claims upon the mainland in favour of the Crown. The Treaty aroused much strong opposition at the time from missionaries and others, who claimed that justice had not been done to the red man, and that mission rights had been seriously interfered with. The views of the Lieut-Governor may be seen from the terms of the following

despatch to Lord Glenelg, then Colonial Secretary:

"Toronto, 20th August, 1836.

MY LORD:

Your Lordship is aware that my predecessor, Sir John Colborne, with a view to civilize and Christianize the Indians who inhabit the country north of Lake Huron, made arrangements for erecting certain buildings on the Great Manitoulin Island, and for delivering on this spot, to the visiting Indians, their presents for the present year. The instructions which I received from Your Lordship to counteract or defer these arrangements reached me too late to be acted upon; and it being impracticable to promulgate to the Indians that they were not to assemble there, I determined to proceed to the Island and attend the meeting.

I was five days going there in a canoe, and during that period, as well as during my return, had an opportunity of meandering through and living upon the islands which are on the north shore of Lake Huron, and which exceed in number 23,000. Although formed of granite, they are covered with various trees growing in the interstices of the rock, and with several descriptions of berries, upon which Indians feed; the surrounding waters abound in fish. On arriving at the Great Manitoulin Island, where I was received by 1,500 Indians who had assembled for their presents, I found that this Island, as well as those I had mentioned, belong (under the Crown) to the Chippewa and Ottawa Indians, and that it would therefore be necessary to obtain their permission before we could avail ourselves of them for the benefit of other tribes.

Although I did not approve of the responsibility as well as the expense of attracting, as had been proposed, the wild Indians from the country north of Lake Huron to Manitoulin; yet it was evident to me that we should reap a very great benefit, if we could persuade those Indians who are now impeding the progress of civilization in Upper Canada to resort to a place possessing the double advantage of being admirably adapted to them (inasmuch as it affords fishing, hunting, bird-shooting and fruit), and yet in no way adapted to the white population. Many Indians have long been in the habit of living in their

canoes among these islands, and from them, from every inquiry I could make, and from my own observations, I felt convinced that a vast benefit would be conferred both upon the Indians and the Province by prevailing upon them to migrate to this place.

I accordingly explained my views in private interviews which I had with the Chiefs, and I then appointed a Grand Council, at which they should all assemble to discuss the subject, and deliberately to declare their opinions. When the day arrived, I addressed them at some length, and explained to them, as clearly as I was able, their real interests, to which I found them very sensibly alive. The Indians had previously assembled to deliberate upon the subject and had appointed one of their greatest orators to reply to me. The individual selected was Sigonah (the Black-bird), celebrated among them for having on many public occasions spoken without once stopping from sunrise till sunset.

Nothing could be more satisfactory than the calm, deliberate manner in which the Chief gave, in the name of the great Ottawa tribe, his entire approval of my projects; and as the Chippewas and Ottawas thus consented to give up the twenty-three thousand Islands, and as the Saugeens also consented to give up a million and a half of acres, adjoining the lands of the Canada Company, I thought it advisable that a short, plain memorandum should be drawn up, explanatory of the foregoing arrangements, to be signed by the Chiefs while in council, and witnessed by the Church of England, Catholic and Methodist clergymen who were present, as well as by the several officers of His Majesty's Government.

I enclose to Your Lordship a copy of this most important document, which, with a wampum attached to it, was executed in duplicate; one copy remaining with me, the other being deposited with a Chief selected by the various tribes for that purpose. Your Lordship will at once perceive that the document is not in legal form but our dealings with the Indians have been only in equity, and I was therefore anxious to show that the transaction had been equitably explained to them. The surrender of the Saugeen territory has long been a desideratum in the Province, and it is now especially important, as it will appear to be the

first fruits of the political tranquility which has been attained. I feel confident that the Indians, when settled by us in the manner I have detailed, will be better off than they were; that the position they will occupy can *bona fide* be fortified against the encroachments of the whites; while, on the other hand, there can be no doubt that the acquisition of their vast and fertile territory will be hailed with joy by the whole Province.

I have etc.,

(Signed) F. B. HEAD."

**The system of annual presents to the Indians** was maintained as a sort of distribution of bounty from the British Sovereign during a prolonged period beginning with the events of the American Revolution. It was not entirely discontinued until Confederation, in 1867, and must have involved a very heavy total expenditure. It was, until about 1841, entirely an Imperial affair, but after that time the presents were given mainly from the income of Crown Lands received from, or held in trust for, the Indians. In 1836 the cost of these gifts was £8,500 in Upper Canada and £4,000 in Lower Canada. They consisted usually of blankets, clothing, guns and trinkets, and were looked forward to by the Indians with great anticipation not only as a source of comfort but as a reward for their services in war and a pledge of continued British friendship. In 1837 a Committee of the Executive Council of Lower Canada, composed of the Hon. Messrs. Smith, De Lacy, Stewart, and Cochran, was appointed to examine into the workings of the Indian Department, and reported to the Governor—Lord Gosford—upon this particular point as follows:

"The Committee, therefore, deem it their duty to express in the strongest manner their conviction that good faith, justice and humanity alike forbid the discontinuance of the presents until the Indians shall be raised to a capacity of maintaining themselves on an equality with the rest of the population of the Province. Although the Indians have no express agreement with the King's Government, to refer to which entitles them to a continuance of this kind and extent of support, the whole tenor of the conduct observed towards them since the year 1759 has led them to such an expectation; nor were there wanting public acts

to confirm it, for besides their having been at all times treated by the British Government as allies or dependents in the continental wars since that period, by the Royal Proclamation of 1763 the lands held or claimed by them within the Province of Quebec were in a special manner taken under the administration of the Crown for their benefit, and such particular precautions were enjoined with respect to the disposal of them as showed that the Crown felt itself bound to secure to the Indians their ordinary means of subsistence."

Writing to Lord Glenelg on July 13th, 1837, the Earl of Gosford thus referred to the Report just quoted: "The Committee, in advising against the discontinuance of the presents at any early period, do not so much advert to their actual value to the Indians, though to them that value is not inconsiderable, as to the moral effect of the system on their character and habits; and they are firmly impressed with the belief that no extensive change of those habits can be counted upon in that part of the present generation of Indians who have grown up to manhood, and from these the presents ought not to be withdrawn, unless in those rare individual cases where Indians may have applied themselves to industry, and have become independent of such aid."

On August 22nd, 1838, Lord Glenelg, Colonial Secretary, in a letter to the Earl of Durham, summed up his views regarding the necessity of Imperial control over the aborigines:

"1. It should be regarded as a fixed principle in any arrangements that may be made regarding the Indians, that their concerns must be continued under the exclusive care and superintendence of the Crown. My meaning cannot be better expressed than in the words of the Committee: 'They think it right to observe, in general, that in the recommendations which they have offered they assume that the Indians must continue to be, as they have hitherto been, under the peculiar care and management of the Crown, to which, whether under French or English dominion, they have been taught exclusively to look for paternal protection in compensation for the rights and independence which they have lost. Until circumstances make it expedient that they should

be turned over by the Crown to the Provincial Legislature and receive Legislative provision and care, the Committee conceive that all arrangements with respect to them must be made under the immediate direction of Her Majesty's Government, and carried into effect under the supervision of officers appointed by it.

2. It is to be regretted that in the proposals made to the Assemblies of the different Provinces respecting the cession of the Crown revenues, in return for a fixed civil list, some stipulation was not introduced securing a portion of the annual revenues for the social and religious improvement of the Indians. In those cases, as in Upper and Lower Canada, where the negotiations will have to begin *de novo*, it may be right to insert some provision to that effect; for in such cases it is clearly open to the Crown to vary or add to the terms of the proposal. But even where it is too late to take this step, I have no doubt that an appeal to the justice and liberality of the Local Legislature in behalf of the Indians would meet with a cordial and efficient return.

3. I would in the same spirit deal with the question of lands for the Indians. However rigidly the rules respecting the disposal of lands may be observed in general, and it is necessary to observe them with the utmost strictness, yet if in any case it be for the clear advantage of the Indians to depart from those rules, the departure ought without hesitation to be sanctioned."

Lawrence Oliphant, in his volume entitled "A Life of Adventure," gives an interesting sketch of his connection with the Indians of Canada. Early in 1854, it appears that the exigencies of the service compelled Lord Elgin's brother, Col. Bruce, who had hitherto filled the offices of Civil Secretary of Canada and Superintendent-General of Indian Affairs, to join his regiment in the Crimea, and Oliphant was appointed to succeed him. The Department was then, of course, under Imperial control, as it more or less remained until Confederation. The writer deals with his work in the following graphic style:

"This duty (visiting his 'red children') was eminently to my taste; it involved diving into the depths of the backwoods, bark-canoeing on distant and silent lakes or down foaming rivers,

where the fishing was splendid, the scenery most romantic, and camp-life at this season of the year—for it was now the height of summer—most enjoyable. It was a prolonged picnic, with just enough duty thrown in to deprive it of any character of selfishness. There were schools to inspect, councils to be held, tribal disputes to be adjusted, presents to be distributed, and, in one case, a treaty to be made. At nearly all the stations there was a school or mission-house of some kind, and here the meeting of the 'warriors' and the 'young braves' with their 'father' took place; and as I had barely attained the age of five-and-twenty when these paternal responsibilities were thrust upon me, the incongruity of my relation towards them, I am afraid, presented itself somewhat forcibly to the minds of the veterans on those occasions.

It was a novel and exhilarating experience to paddle up in a sort of rude state at the head of a train of canoes, and to be received by volleys from rifles and fowling-pieces by way of a salute from all the members of the tribe collected on the margin of the lake or river, as the case might be, to receive me. Then they would form in line and march past me, every man, woman and child shaking hands as they did so, and in solemn procession escort me up to the place of meeting, when, if it was a chapel, I mounted into the pulpit, and solemnly lighting a pipe, waited till my audience were all seated on their heels and had lighted theirs, before entering upon the business of the hour. This generally terminated in a lecture upon temperance and industry; for their love of spirituous liquors and their inveterate indolence are the curse of these poor people, and render them an easy prey to the more unscrupulous class of white settlers who systematically carry on a process of demoralization, with the view to their extermination, a result which is being rapidly achieved. I do not know whether my efforts to convince them that they were themselves their own worst enemies procured for me the name of Pah Dah Sung, or 'The Coming Sun'—possibly from the light I was expected to throw upon the subject.

My two most interesting experiences in connection with my brief administration of Indian Affairs in Canada were the distribution of annual

presents upon the Island of Manitoulin and a Treaty which I succeeded in negotiating with a tribe which owned an extensive tract of territory upon the shores of Lake Huron. Manitoulin, which is over a hundred miles in length, is said to be the largest fresh water island in the world, and was destined by a former Governor-General of Canada—Sir Francis Bond Head—as an eligible territory on which to make the experiment of collecting Indians, with a view to their permanent settlement and civilization. It has not succeeded, however, and at the time of my visit was the rendezvous of thousands of Indians belonging to many different tribes, who, with their whole families, congregated here to receive blankets, agricultural implements, and other presents which it was hoped would conduce to their welfare.

These, correctly speaking, were not presents, as they were purchased from funds in the hands of the Indian Department, whose principal function it was to invest the large sums of money which had accrued to the Indians from the sale of the land to the white settlers, and to apply the interest to their advantage. The collection of birch-bark wigwams which surrounded the little harbour where I landed looked like a huge camp, and in these were huddled a swarm of dirty occupants, some of them having travelled hither from a great distance, miserably clad in frowsy blankets and skins. Here and there were fine-looking, picturesque figures, more gaudily decorated with paints and feathers; but taking them as a whole, I know of no nomads—and I have seen Calmucks, Tartars, Kirghies, Bedouins and Gypsies—who present a more poverty-stricken and degraded appearance than did the majority of my red children. I was the more disappointed with them in their savage state, because I expected an improvement upon their semi-civilized brethren, with whom I had hitherto come in contact. I believe the annual congregation of Indians on this Island, and distribution of presents among them, has been discontinued by the Dominion Government.

By means of the revenue derived from this cession of Indian territory I was enabled to re-organize the whole financial system of the Indian Department, and to effect a clear saving to the Imperial exchequer of £13,000 a year—an



economy with which Lord Taunton, then Colonial Minister, expressed himself so well satisfied that he was kind enough to offer me a small Lieutenant-Governorship in the West Indies, which I should have gratefully accepted had it not been for my preference for diplomatic work and desire to go to the seat of war in the Crimea. The most distant Indian settlement I visited was in the immediate neighbourhood of Lake Superior. Finding myself so far west, I determined to return by a very roundabout way, for the purpose of seeing some of the country to the west of the lake. My companions were Lord Bury, who had been for some time previously Lord Elgin's guest, at Quebec, and Messrs. Petre and Clifford, whom we met on Lake Superior, and with whom we made a bark canoe voyage from the western end of the lake to the head waters of the Mississippi, coming down that river to Dubuque, from which place we crossed the prairies of Illinois to Chicago, then a rising young city of seventy-five thousand inhabitants, and so by way of Niagara back to Quebec."

**Lawrence Oliphant**, the well-known author and traveller, was Superintendent-General of Indian Affairs in Canada for a year (1853-54) and acted as Civil Secretary to Lord Elgin during the negotiation of the Reciprocity Treaty with the United States. He was born in 1829 at Cape Town, South Africa, and died in 1888. His works include "A Journey to Khatmandu," "The Russian Shores of the Black Sea in 1852," "Patriots and Filibusters" during the American Civil War, "Narrative of the Earl of Elgin's Mission to China and Japan," "The Land of Gilead, with Excursions in the Lebanon," "The Land of Khemi, or up and down the Upper Nile," "Episodes in a Life of Adventure." He had during his career travelled all over the world, taken part in a myriad stirring scenes as special war correspondent and in a private capacity, and has written some interesting notes upon his experiences in Canada. For a short time he sat in the Imperial House of Commons.

**William Coutts Keppell, Viscount Bury**, afterwards 7th Earl of Albemarle and 1st Baron Ashford, was, in December, 1854, appointed Civil

Secretary and Superintendent-General of Indian Affairs in Canada. In the work of this position he took an active and useful part and, although only holding it for a few years was, always afterwards warmly interested in Canadian affairs. He was born in 1832, and educated at Eton; was private secretary to Lord J. Russell in 1850-51; a member of Parliament in 1857-65 and 1868-74; Hon.-Colonel in the Volunteers; Treasurer of the Household 1859-66; Under-Secretary of War 1878-80. In 1876 he was created Baron Ashford. He succeeded to the Earldom in 1891 and died in 1894. Lord Bury, as he was best known, was the author of "The Exodus of the Western Nations," "A Report on the Condition of the Indians of British North America," and many addresses and papers upon Colonial topics and Imperial Federation. He was a K.C.M.G., a member of the Imperial Privy Council, and in 1855 had married the daughter of Sir Allan McNab, Bart., sometime Premier of the Canadian Provinces. He was also one of the founders, and for some years President, of the Royal Colonial Institute.

**The Hon. Alexander Morris, D.C.L.**, was born at Perth, Ont., in 1826, and educated at the Universities of Glasgow and McGill. Called to the Bar in 1851, he was created a Provincial J.C. in 1876, and a Dominion one in 1881. He was at one time President of the St. Andrew's Society, Montreal; a Governor of McGill University; Chairman of the Board of Trustees, Queen's University, Kingston; and Vice-President of the North American Life Insurance Company. He was the author of "Canada and Her Resources," a well-known pamphlet; "Nova Britannia," in which he urged Confederation as far back as 1858; "The Hudson's Bay and Pacific Territories" and "The Treaties of Canada with the Indians of the North-West." In 1864 he helped in the formation of the Dominion and sat in the old Canadian Assembly from 1861 until the Federal Union took place in 1867. From that date until 1872 he was a member of the Commons. In 1869 he had been sworn of the Canadian Privy Council and appointed Minister of Inland Revenue. This position he held until 1872, when he became Chief Justice of Manitoba, and a few



months later Lieut.-Governor of the Province—a position which he occupied until 1877. As Governor and Special Commissioner for Indian affairs he negotiated a number of historic and important Treaties with the aborigines of the West. From 1878 to 1886 he sat in the Ontario Legislature. He died in 1889.

**The Hon. David Laird** was born at New Glasgow, P.E.I., in 1833, educated at Truro, N.S., and has been for many years Editor of the *Charlottetown Patriot*. In 1872-3 he was a member of the Executive Council of Prince Edward Island, and as such helped to arrange the terms upon which the Island eventually entered the Dominion. He was also for a time in the City Council of Charlottetown and a member of the Provincial Board of Education and Board of Works. From 1873-6 he was Canadian Minister of the Interior and in the first-named year was sworn of the Privy Council. For five years following 1876 he was Lieut.-Governor of the North-West Territories and as such had much to do with the Indians. In 1878 he had assisted as a special Commissioner in making the Qu'Appelle Treaty with them. He sat in the House of Commons from 1873 to 1876.

**The Superintendents-General of Indian Affairs** in Canada during the period of direct British control were as follows:

1786-1825, Sir John Johnson, Bart.

1825-1836, Colonel D. C. Napier.

1837-1841, Samuel Peters Jarvis.

From the union of Upper and Lower Canada until 1860 the position was held by the Civil Secretaries of the Governors-General under commission from the Imperial Government, as follows: T. W. C. Mordock, R. W. Rossin, J. M. Higginson, T. E. Campbell, Colonel the Hon. R. Bruce, Laurence Oliphant, Viscount Bury, R. T. Pennyfather.

In 1860 the Commissioners of Crown Lands became *ex-officio* Superintendents-General of Indian affairs under the Provincial Acts, 23 Vic., Chap. 151. Those holding the position up to Confederation were the Hon. P. M. Vankoughnet, the Hon. George Sherwood, the Hon. William McDougall, and the Hon. (afterwards Sir) Alex-

ander Campbell. After 1867 and until 1873 the Secretaries of State had charge of the Indians, as follows:

July 1, 1867, Hon. A. G. Archibald.

Nov. 16, 1869, Hon. Joseph Howe.

June 14, 1873, Hon. T. N. Gibbs.

In this latter year the Department of Indian affairs was placed under the control of the Minister of the Interior. The following are those who have since held the position:

July 1, 1873, Sir Alexander Campbell.

Nov. 7, 1873, Hon. David Laird.

Oct. 24, 1876, Hon. David Mills.

Oct. 17, 1878, Sir John A. Macdonald.

Aug. 3, 1887, Hon. Thomas White.

Aug. 3, 1888, Hon. Edgar Dewdney.

Oct. 17, 1892, Hon. T. Mayne Daly.

April 27, 1896, Hon. Hugh J. Macdonald.

Nov. 17, 1896, Hon. Clifford Sifton.

In 1883 Sir John Macdonald resigned the Ministry of the Interior and assumed the post of President of the Council; but was so impressed with the importance of Indian affairs at that particular juncture that he retained control of them until 1887, when they reverted again to the Interior Department.

**The Territorial Exhibition held at Regina** in 1894, under the auspices of Lieut.-Governor Macintosh, afforded an interesting means of testing the progress of the western Indians in general civilization. The Assistant Commissioner upon that occasion wrote to the Dominion authorities as follows:

"As proof of the great strides made by the Indians in pursuit of civilization, I am pleased to be able to report the splendid success made by them in their varied exhibits at the Territorial Fair, held in Regina from 29th July to August 7th last. The improvement over the Indian exhibit at the World's Fair in 1893 was most marked. The exhibits were shown in a frame building, 50 by 25 feet, which was erected solely by the carpenter pupils of the Regina Industrial School, the work upon which was decidedly a credit to them. The exhibits were principally from the Moose Mountain, Crooked Lakes, Edmonton, Hobbema and Blackfoot Agencies, and from the Qu'Appelle, Battleford, Regina, High River, St. Albert, Elkhorn, Rupert's Land and St. Boniface Industrial Schools, as well as from several day and boarding

schools, notably those of File Hills, Touchwood and Crowstand.

These consisted of farm products, carpentry, blacksmithing, tailoring, harness, tinsmithing work, shoemaking, and printing, lace-work, embroidery, home-made furniture; also bread, butter, cheese, jam, soap, articles of clothing, knitting, wooden ox collars, double-trees and single-trees, axe and fork handles—made out of native wood and ironed by the Indians—horseshoes, hinges, pincers and a great variety of other articles numbering in all about fifteen hundred specimens. It would take up too much space to repeat the praises bestowed upon the Indian exhibit by the visitors and the press generally; in fact, until assured that the articles exhibited were actually the product of Indian labour, visitors were scarcely inclined to give credence thereto. That many of the Indian exhibits fully equalled, and in some cases excelled, the product of white competitors is beyond doubt, and fully demonstrates the rapid advancement that is being made in civilized pursuits by our Indian population."

These references to the Red Indian of our mountains, plains and forests could hardly be brought to a more appropriate close than by quoting the eloquent language of a well-known American student of Indian conditions and traditions—Henry R. Schoolcraft—on August 14th, 1845:

"His history and existence on this continent

is blended with the richest sources of poetry and imagination. His beautiful and sonorous geographical nomenclature alone has clothed our hills, and lakes, and streams with the charms of poetic numbers. The Red man himself, who once roved these attractive scenes, with his bow and arrow, and his brow crowned with the highest honours of the warpath and the chase, was a being of noble mould. He felt the true sentiment of independence. He was capable of high deeds of courage, disinterestedness, and virtue. His generosity and hospitality were unbounded. His constancy in professed friendship was universal, and his memory of a good deed done to him or his kindred never failed. His breast was animated with a noble thirst of fame. To acquire this he trod the warpath, he submitted to long and severe privations. Neither fatigue, hunger, nor thirst were permitted to gain the mastery over him. A Stoic in endurance, he was above complaint, and when a prisoner at the stake he triumphed over his enemy in his death-song. The history of such a people must be full of deep, tragic, and poetic incidents; and their antiquities cannot fail to illustrate it. The tomb that holds a man derives all its moral interest from the man, and would be destitute of it without him. America is the tomb of the Red man."



SIR A. T. GALT.



## THE FISCAL HISTORY OF CANADA

BY

THE EDITOR.

THE fiscal or economic history of Canada is unique. During its progress in settlement and colonization, in barter and exchange, in trade and commerce, in political change and construction, the people of British North America have run the entire gamut of fiscal experiment and experience. Under the French regime, and especially during the government of what was called the Supreme Council at Quebec, from 1660 to 1760, the country was in the hands of a practically close corporation which controlled the trade and taxes and distribution of all products, subject to monopolies in the fur trade and in the farming of the revenues, which might be granted from time to time by the King of France to his favourites—or, as was sometimes the case, for the attempted encouragement of colonization.

The spirit of restriction and monopoly ruled from the beginning. Governor Lauzon, for instance, who was Seigneur for a while of a great part of the Colony, held that Montreal had no right to trade directly with France, but must draw all her supplies from Quebec; and this claim was revived ten years later in the time of Mézy—1663-5. Parkman states, with truth, that the successive commercial companies to whose hands the Colony was consigned had a most baneful effect on individual enterprise. In 1674 the charter of the West India Company was revoked and trade was declared open to all subjects of the King; yet commerce was still condemned to wear the ball and chain. New restrictions were imposed, meant for good, but resulting in evil. "Merchants not resident in the Colony were forbidden all trade, direct or indirect, with the Indians. They were also forbidden to sell any goods at retail except in August, September and October; to trade anywhere in Canada

above Quebec; and to sell clothing or domestic articles ready made. This last restriction was designed to develop colonial industry. No person, resident or not, could trade with the English colonies, or go thither without a special passport and rigid examination by the military authorities. Foreign trade of any kind was stiffly prohibited. In 1719, after a new Company had engrossed the beaver trade, its agents were empowered to enter all houses in Canada, whether ecclesiastical or secular, and search them for foreign goods, which, when found, were publicly burned. In the next year the Royal Council ordered that vessels engaged in foreign trade should be captured by force of arms, like pirates, and confiscated along with their cargoes; while anybody having an article of foreign manufacture in his possession was subjected to a heavy fine."

Attempts were actually made to fix the exact amount of profit which merchants from France should be allowed to make in the Colony. Parkman states that one of the first acts of the Supreme Council was to order them to bring their invoices immediately before that body, which thereupon affixed prices to each article. The merchant who sold and the purchaser who bought above this tariff were alike condemned to heavy penalties; and so, too, was the merchant who chose to keep his goods rather than sell them at the price ordained. Resident merchants, on the other hand, were favoured to the utmost. They could sell at what price they saw fit, and, according to La Hontan, they made great profit by the sale of laces, ribbons, watches, jewels and similar superfluities to the poor but extravagant Colonists. Of course, some of this legislation was on a par with that of England in the Thirteen Colonies and neither better nor worse, but other branches of it, whether intended

to promote settlement or not, could hardly help but prove disastrous in the extreme and the crushing of all individual enterprise.

Meanwhile, up and down the vast regions stretching from Hudson's Bay through what is now Ontario and Quebec, around the great lakes and down the valleys of the Ohio and Mississippi into the heart of the American Republic of to-day, the daring trappers and *voyageurs* of New France hunted, and explored, and built up an immense trade in furs and skins, over what they called their own possessions and in defiance of England and the New England Colonies. Between 1599 and 1717, eleven companies were formed in France for this purpose and several of them were given monopolistic privileges—notably the Company of the Hundred Associates. There was no protective or revenue tariff in the modern sense of the word, though plenty of taxes, and the French ideas concerning colonial industry were not dissimilar to those of many in England at the end of the eighteenth century. "Let us beware," wrote the Marquess de Montcalm, not long before the final conflict around the walls of Quebec, "how we allow the establishment of manufactures in Canada; she would become proud and mutinous like the English (Colonies). So long as France is a nursery to Canada, let not the Canadians be allowed to trade, but kept to their wandering, labourious life with the savages, and to their military exercises. They will be less wealthy, but more brave and more faithful to us. . . . England made a great mistake in not taxing those (the American) Colonies from the first, even ever so little. If they now attempt it—revolt."

When Great Britain took possession of Canada in 1763 the trade of the country was, therefore, mainly in furs and products of the forest, and the French-Canadians were ground down under all kinds of corruptly-levied taxes in the hands of more or less corrupt officials—a system with which Montcalm and his great predecessor, Frontenac, had struggled in vain. Agriculture had made little progress under the encouragement given to a wandering and adventurous life. With the accession of British rule came the British fiscal system. Canadians could now trade freely with the Thirteen Colonies, but there was little real demand for each other's products. Outside

of this the British possessions were governed by the same Navigation Laws and regulations which were beginning to prove so irritating to their fellow subjects, and recent enemies, on the Atlantic sea-board. It was therefore natural that almost the whole Canadian trade should soon have passed to England and away from France. It also increased materially in volume under the combined influences of the peace which followed the Revolutionary War, and the influx of 40,000 hardy Loyalist settlers from the south into the present provinces of Nova Scotia, New Brunswick and Ontario. By 1808 the trade of Upper and Lower Canada (Ontario and Quebec) amounted to £1,776,000 sterling or about \$8,400,000, of which the greater part was transacted with Great Britain. Furs, wheat, flour, timber and fish, were the chief exports, and of the imports £200,000 were manufactured goods and £100,000 were tea, provisions and tobacco. In this year there were 333 vessels engaged in the external trade of Canada. In 1830, 967 vessels arrived at the port of Quebec.

Meanwhile the customs duties had been small, and of little account. In 1791 the old Province of Canada, or New France—minus the great country in the valley of the Ohio and Mississippi which had been voluntarily given as a peace offering to the new American Republic—was divided into the Provincial Governments of Upper and Lower Canada, and in 1795 Commissioners were appointed to apportion the duties upon merchandise, etc., entering the ports of the Lower Province which should be allowed for in fixing the revenue due to Upper Canada. The amount received by the latter Province under the arrangement of one-eighth of the total customs duties of the Lower one was only £333 in local currency for the years 1793-4. By 1809 the amount had increased to £3,964. As the total for the two Provinces in this latter year would have been about £32,000 it shows how little was the external trade apart from Britain.

During the years which followed—including the unfortunate period of war in 1812-14—Canadian production and trade slowly increased. The early settlers of Ontario and the Maritime Provinces were exceedingly industrious and the pick of the population, in many cases, from the one-time

**Thirteen Colonies.** It was therefore natural that the Canadian wilderness should soon begin to blossom into productive gardens, fields, and even vineyards. Every encouragement was given by the Mother Country, so far as tariffs could do it, for the promotion of trade between herself and the growing dependency. This fact may be illustrated by the following table of the Imperial tariff of 1845 upon certain products received from British and foreign countries:

Article.	From Foreign Countries.	From British Countries.
Bacon and Ham, cwt.	14/8	3/8
Butter, "	21/0	5/3
Cheese, "	11/0	2/7
Beef, salted, "	8/4	2/1
Pork, "	8/4	2/1
Vegetables, "	0/2	0/1
Eggs ..... 120 lbs.	0/10	0/2
Hay ..... load	16/9	8/4
Oxen and bulls, each	21/0	10/6
Horses, "	21/0	10/6
Cows, "	15/9	7/10
Calves, "	10/6	5/3
Sheep, "	3/1	1/6
Hogs, "	5/3	2/7
Lambs, "	2/1	1/0
Wheat, according to price.....	18s. to 20s.,	25. to 5s.

This pronounced preference applied of course to all the Provinces in British America as well as Upper and Lower Canada—which in 1841 had been re-united under one local Government. These duties had varied from year to year, but the principle of preference was maintained at about the same ratio. That it was of benefit to Great Britain seems clear from the fact that in 1836 the people of France took British manufactures at an average of eleven pence per head, those of the United States at seventeen shillings per head, those of Spain at eight pence per head, those of Denmark at eleven pence, those of Russia at five pence, and those of Prussia at three and a half pence, while the British possessions in America took British goods to the amount of £1 11s. 6d. per head, and those of the West Indies at £3 12s. per head. By 1846, the last year of the operation of this system, Canada and its fellow Provinces had become absolutely dependent upon the

British tariff and its preferences. Their flour, made largely from American wheat, was pouring into England, and their cattle, meats, horses, sheep and natural products of all kinds were at a premium as against foreign commodities.

Then came the crash, and in a moment the abolition of the Corn Laws had not only shattered the whole Canadian fiscal fabric, but had crushed the prosperity of its people. For some years the entire financial, agricultural and industrial interests of Canada were paralyzed. Political troubles naturally followed, annexation to the United States came to be discussed in sundry influential business quarters, and a dark, sombre cloud rested over the small and struggling community. In an economic sense a revolution ensued. The entire control of the regulation, collection and distribution of revenues was given to all the Colonies; taxation was entirely changed in its channels and preferences upon British goods were swept away; tariffs were framed against the other British Provinces as well as against the Mother Country; efforts were initiated for better trade relations with the United States and approved of in a letter from the Colonial Secretary on June 3rd, 1846, and strenuous exertions were commenced along the lines of railway and canal construction. The period of fiscal pupillage had passed away never to return, although it must be a matter of lasting regret that Imperial considerations connected with a mighty but unseen future, could not have retained some principle of preference for British products in the new tariffs of both England and her Colonies. It was a great opportunity for genuine statecraft, but one which was allowed by the "Little Englanders" to pass into what is now the limbo of forgotten possibilities.

In 1854, Lord Elgin succeeded in negotiating the famous and much-discussed Reciprocity Treaty with the United States. It remained in force until 1866, when it was abrogated by the Republic after the necessary one year's notice. Here, as under the British preferential system, the importance of fiscal arrangements in their relation to popular prosperity and comfort was again illustrated. The ruined interests of Canada slowly revived, new channels of trade were developed, new industries arose and sought, in many cases, the American market, and around



this fiscal creation of two neighbouring governments the commerce and individual prosperity of British America grew up once more. Yet it was only an arrangement for the free interchange of products of the farm, the mine, the forest and the sea. Manufactures were not included, and although there was no preference given to the United States over Great Britain or, *vice versa*, yet trade with the Republic rapidly increased.

Various causes connected with internal development and external war combined to make the country prosperous and the Treaty beneficial. And this despite the fact that the intimate connection of the two countries compelled Canada to share in the financial crash which came to the United States in 1857, to a degree which might well amaze Canadians who stood by during the storm of 1893 and were able to calmly watch the crash of American banks and industrial interests with only a share in the general depression which has since ensued, and which has been world-wide in its operation. It is also interesting to note that during that period, 1854-66, Canada imported from the Republic \$306,417,890 worth of products, and exported only \$187,271,080 worth. But none the less was the Treaty mutually beneficial, though the effect of its abrogation showed how dangerous to Canada was the ensuing dependent relationship. Once more, indeed, the British American Provinces were sorely tried by external tariff arrangements over which they had no control.

The action was taken nominally because Canada (as Ontario and Quebec had been called since their union in 1841) had raised its duties upon certain American goods not mentioned in the Treaty; really because of the part which Great Britain was alleged to have taken during the Civil War, and because these were British Provinces. The commercial and financial results were not so disastrous as after the abolition of the British preferential system. Greater development had taken place since then, more self-reliance had been planted amongst the people, manufacturing had progressed, capital was more plentiful, credit better, and the population larger. But it was a sufficiently critical occurrence to force the scattered colonies into union. As a chief result of this external action good came out

of evil. Ontario, Quebec, Nova Scotia and New Brunswick joined in Confederation as the Dominion of Canada, and on July 1st, 1867, a new British nation was born—one which has since swept half a continent into its arms, opened up boundless territories of fertile soil, built the greatest railway in the world, and reached out towards the fiscal and political union of a mighty empire.

Meanwhile a protective spirit and policy had been developing. Reference has been made to the United States having objected to certain tariff increases during the life of the Reciprocity Treaty. These were in the first place imposed by Canada for revenue purposes. After the crisis of 1857 a large and increasing deficit was found to exist—amounting in 1858 to £500,000. Mr. (afterwards Sir) A. T. Galt was Finance Minister, and at once raised the duties with the following public explanation: "The policy of the Government in re-adjusting the tariff has been in the first place to obtain sufficient revenue for the public wants: and secondly to do so in such a manner as shall most fairly distribute the additional burden upon the different classes of the community." And then he declared that the Government would be satisfied "if it found that the increased duties absolutely required to meet its engagements should incidentally benefit and encourage the production in this country" of articles hitherto imported. Mr. Galt, in 1859, wrote an elaborate pamphlet in explanation and defence of this action, from which the following is an extract:

"The commercial crisis of 1857, following the reduction of railway expenditure on the completion of the greater part of the works, and accompanied by a deficient harvest, caused a serious falling off in the revenue of that year; and this was succeeded in 1858 by a still greater failure of the crop; and consequently, even more depressed condition of trade. Attendant upon this state of things, and as if to tax the energies of the people to the utmost, it became necessary, in 1857, to assume the payment of interest on the railway advances, with the exception of the Great Western of Canada, amounting to about £200,000 per annum, and also to advance the interest upon the municipal debt, amounting to about £100,000 per annum. Dependence could partly be placed upon a revival of trade to restore the revenue to its former point; but this would afford no means of

meeting the future railway and municipal payments; and Parliament had to choose between a continued system of borrowing to meet deficiencies, or an increase of taxation to such amount as might, with economy of administration in every branch of the public service, on a revival of trade, restore the equilibrium of income and expenditure. It is true that another course was open; and that was, to exact the terms upon which the railway advances were made; and to leave the holders of the municipal bonds to collect their interest, under the strict letter of the law. By these steps Canada would certainly have relieved herself from the pressure of increased taxation, and might have escaped the reproaches of those who blame the increase of her customs duties. But it would have been at the expense of the English capitalists who had placed their faith in the fair treatment of her Government and Legislature; and it would have been but poor consolation for them to know that through their loss, Canada was able to admit British goods at 15 instead of 20 per cent."

This was the first attempt to establish incidental protection in Canada and was the foundation of all subsequent fiscal legislation in that direction. That it was so intended is evident from a declaration by Mr. (afterwards Sir) John A. Macdonald, at Hamilton, in 1861, that "it is a matter for consolation that the tariff has been so adjusted as incidentally to encourage manufacturing industries here." The following table is historically valuable as showing the development of the duties during this period upon certain important products:

	1855.	1856.	1857.	1859.
Molasses .....	16 %	11 %	11 %	30%
Sugar (refined)...	32 "	28 "	25 "	40"
Sugar (other) ....	27½ "	20 "	17½ "	30"
Boots and shoes.	12½ "	14½ "	20 "	25"
Harness.....	12½ "	17 "	20 "	25"
Cotton goods.....	12½ "	13½ "	15 "	20"
Iron goods.....	12½ "	18½ "	15 "	20"
Silk goods.....	12½ "	13½ "	15 "	20"
Wool goods.....	12½ "	14 "	15 "	20"

The immediate result of this policy was an equalization of revenue and expenditure, and a later one the use of these duties as a reason for abrogating the American Treaty. But all these minor matters were swallowed up in the Confederation of 1867, the inauguration of free trade amongst the British Provinces, and the establish-

ment of a uniform duty of 15 per cent. upon all external goods, British or foreign, coming into the country. Mr. Galt's tariff, averaging 20 per cent., had been fairly protective and, owing to various extraneous causes, this new one answered the same purpose for a while. Production and industry in the United States had not yet recovered from the injuries of war, and serious competition from that direction was therefore restricted. For a very different reason English prosperity, then in one of its periods of phenomenal growth, prevented the sacrifice of English manufactures in Canada for the purpose of gaining the local market.

But about 1872 the change came. Immigration and British capital had produced an enormous development in the United States, and soon overproduction there caused the sacrifice of American goods here, and the overpowering competition of great specialized and wealthy industrial concerns with the small Canadian industries. The Conservative Government announced an increase of duties as their policy in the ensuing session, but before that time came they were defeated at the polls. The policy of this party remained from that time until now one of protection to native industry, the taxation of foreign competitive products, and the non-taxation, or low taxation, of articles in wide popular consumption, such as tea, coffee, and sugar. That of the Liberal party has varied somewhat but has always opposed protection for the sake of protection.

The fact, however, is generally forgotten, or overlooked, that the fiscal policy of the Liberals during the period from 1873 to 1878 was made by the surrounding conditions already referred to, an entirely different one from that of the preceding Administration—even while the duties were exactly similar. Mr. (afterwards Sir) Leonard Tilley, when Finance Minister, had been able to take the duties off tea and coffee, thus remitting a million dollars of taxation, but Mr. (now Sir) Richard Cartwright before very long had to reimpose them in order to replenish an empty exchequer and provide against deficits which threatened to become chronic. Meantime the revenue decreased, while the expenditure increased from \$19,174,647 in 1873 to \$24,445,381 in 1879; the deficits totalled up to \$6,000,000 during the same term of years; and every branch of

Canadian life—commercial, financial and national—either slumbered or retrograded. It was not that the Government of the day were primarily to blame; they did nothing to produce the general depression or to render more acute the competition which destroyed Canadian industries, deprived the artisans of food and work, or checked the development of the country, the progress of trade, or the natural expansion of revenue. They even raised the duties two and a half per cent. upon the products already taxed, and many of their supporters favoured a still greater increase. A glance at the following table of duties imposed by the United States upon specified Canadian products and those imposed by Canada upon similar American products, at this time, will reveal the situation in a glance :

	Canadian Duty.	American Duty.
Wheat.....	Free.	20 cts. per bus.
Rye and barley....	"	15 cts. per bus.
Indian corn and oats.....	"	10 cts. per bus.
Wheat flour.....	"	20 per cent.
Rye flour, cornmeal	"	10 per cent.
Oatmeal.....	"	$\frac{1}{2}$ ct. per lb.
Potatoes.....	10 per cent.	15 cts. per bus.
Live animals.....	"	20 per cent.
Coal.....	Free.	75 cts. per ton.
Salt (in packages).	"	12 cts. per 100 lbs.
" (in bulk).....	"	8 cts. per 100 lbs.
Wool.....	"	25 to 50 per cent.
Pig iron.....	"	\$7.00 per ton.
Bar iron.....	5 per cent.	15 to 75 per cent.
Plate and boiler iron.....	"	\$25.00 and \$30.00 per ton.
Iron rails.....	Free.	\$14 per ton.
Steel rails.....	"	\$25 per ton.
Bricks.....	"	20 per cent.
Trees, plant, shrubs.	10 per cent.	20 per cent.
Flax (dressed).....	Free.	\$40 per ton.
Flax (undressed)...	"	\$20 per ton.
Flax seed.....	"	20 cts. per bush.
Starch.....	2 cts. per lb.	1 ct. per lb. and 20 per cent. ad valorem.

And a more grossly unfair picture it would be hard to find in the fiscal history of the world. Whatever the value of the United States market

was, Canadians had no power to enter it, while American manufacturers and producers had the full and free sweep of ours. And they made good use of their privileges. American goods were steadily "slaughtered" here until home-made products were utterly discouraged, and even the importation of British goods was reduced from \$68,492,000 in 1873 to \$37,314,000 in 1878. There was little money in the country and little enterprise or progress evident amongst those classes which have since become the bone and sinew of its industrial development. As with manufacturers so with the farmers. In 1878 the Dominion actually imported \$17,909,000 worth of flour, grain, animals and general agricultural products from the United States in competition with home-grown productions.

Nor was the situation unrecognized. The Conservative party, after their re-organization from an almost overwhelming defeat, were unanimous in demanding remedial action; while many of the Liberal leaders—notably Mr. John Charlton, Mr. Joly de Lotbiniere, Mr. Laurier, and Mr. Patterson, of Brant, appeared to favour a moderate protective tariff. Finally, on February 16th, 1876, Mr. David Mills, who became Minister of the Interior six months afterwards, moved in the House of Commons for the appointment of a "Select Committee to enquire into the causes of the present financial depression." Mr. Mills spoke strongly as to the necessity for his motion, and his remarks throw a light which cannot be considered partisan upon the condition of the country at that time. The following sentence may therefore be quoted :

"I assume that there exists at the present time a very considerable extent of financial stringency in the country. When we notice in the newspapers from day to day the failure of men engaged in manufacturing or commercial pursuits in various parts of the country; when we observe statements that a very large number of men formerly employed in the lumber trade and in other pursuits, are out of employment; I think that it is unnecessary to bring before the House any array of facts for the purpose of establishing a proposition which, I suppose, will meet with general assent."

Mr. Cartwright referred to the "commercial tornado" by which the country was being assailed, and the Committee was duly appointed. Its pro-

ceedings were keenly discussed, and an examination of many interests was entered into with the following results. The conclusions thus arrived at, were profoundly hostile to protection, and may be summarized as follows:

1. A protective system would diminish the consumption of foreign goods.
2. It would diminish the revenue by \$9,000,000.
3. Its effect would be to increase the price of home manufactured goods.
4. The consumer would have to pay a heavy tax.
5. It is a proposition to relieve general distress by a redistribution of property.

This Report had the anticipated effect of preventing the Ministry from doing anything at the time in the direction of real protection. But the Opposition did not hesitate. The year 1876 had seen the beginning of their fight for protection, and that of 1878 witnessed its triumph. With the return of Sir John A. Macdonald to power, in the latter year, a new fiscal era was inaugurated, one which stands out with distinctness upon the canvas of our national history, and which raised the average rate of the duties to 30 per cent. Opinions have very strongly differed as to its success or failure. Criticism has been as severe and censure as plentiful as have the opposite expressions of admiration and appreciation. The official figures of the Dominion afford therefore the safest and most reliable source of information as to the result; and without any expression of personal opinion, I propose to let these tell the tale, merely premising that the National Policy, so-called, should be judged in its entirety, and as including the building of the Canadian Pacific Railway, the development of the canals, the practical creation of the North-West and the extension of ocean communication, as well as in the attempted promotion of industrial and commercial activity by means of new fiscal regulations.

The most immediate change noticeable in 1879, after Sir Leonard Tilley had introduced his budget and the new policy, was a decided improvement in the general condition of business. Confidence was restored and enterprise revived. The "soup kitchens," founded by the charitable, disappeared; and with them seemed to go that

spirit of hopelessness or listlessness so injurious to any people, but especially so to a young community like that of Canada. Apart from this improvement in business, the first pronounced effect of the new regulations was a growth in external trade, which has since been fairly maintained, and in late years materially increased. In 1878 our exports were \$79,323,667; in 1896 they amounted to \$121,013,852. In 1878 our total imports were \$93,089,787; in 1896 they were \$118,011,508. This gives an increase in trade of nearly \$67,000,000. In 1878 our trade with Great Britain was \$83,372,719; in 1896 it had risen to \$99,670,030, and is steadily increasing. Similarly, our trade with the United States rose from \$73,876,437 to \$103,022,434. With France our commerce increased one million six hundred thousand dollars; with Germany over six millions; with South American countries \$1,400,000; with China and Japan \$2,800,000.

As regards this branch of development Canadian fiscal history since Confederation can be divided into distinct six-year periods, which, owing to the various causes already noticed, may be grouped into a table in which the relative progress is seen at a glance:

Policy.	Total trade.
Incidental protection, 1868-73.....	\$ 992,443,289
Revenue Tariff, 1874-79.....	1,093,764,044
Protective Tariff, 1880-85.....	1,235,902,783
"    "    1886-91.....	1,234,587,974
"    "    1892-97.....	1,438,948,553

An expanding trade naturally promoted progress in other directions. People began to save money, and while buying more goods abroad deposited much more at interest in the Banks, Savings Banks and Loan Companies of the Dominion. In 1868 such deposits amounted to \$43,326,013. By the 30th June, 1878, they had risen to the total of \$84,868,077, and on the same date in 1895 the total had reached the large sum of \$269,278,864—an increase of \$226,000,000 since 1868, or of \$185,000,000 since 1878. Another result was a redundant revenue and large surpluses, except during the two years, 1885-6, when an abnormal war expenditure in the North-West had to be met. The situation in this respect during the three tariff periods may be seen by a glance at these figures:

Year.	Revenue.	Expenditure.
1868	\$13,687,928	\$13,486,091
1872	20,714,814	17,589,469
1879	22,517,382	24,455,382
1891	38,579,311	36,343,568
1895	33,978,129	38,132,005

Meanwhile the Canadian Pacific Syndicate had been formed, a large subsidy granted by Government, the rising credit of the country pledged to the completion of the road, and the work at once commenced and carried through with phenomenal energy and rapidity. Expenditure upon all manner of public works was consequently far greater during this period than in the preceding one, as became the greater prosperity of the people and the country. The following figures will illustrate the relative expenditure :

Objects.	1876-78.	1879-91.
Railways.....	\$36,100,000	\$77,900,000
Canals.....	14,400,000	22,100,000
Public Buildings.....	5,400,000	9,400,000
Other Public Works.	5,800,000	15,800,000

In the first ten years of Confederation there was spent upon these objects \$60,000,000 in round numbers, and during the next twelve years more than double that sum. But increased trade, growing bank deposits and revenue, followed by large expenditure upon great national enterprises are not the only products of this period in Canadian fiscal history. It was claimed by the Opposition prior to 1878, that protection would have results which may be summarized from a myriad speeches as follows :

1. It would bring into the country diversified industries, and thus tend to increase and develop the intelligence, industry and earnings of our people.

2. It would, through promoting the development of machinery, steam, and water-power, cheapen the cost of subsistence.

3. It would furnish, or help to furnish, an opportunity for every person to find the employment best suited to his individual capacity.

4. It would create a home market for the products of home labour.

Without attempting any elaborate consideration as to the fulfilment of these expectations, the following figures of increase in Canadian indus-

trial production, as derived from the last two Census statements, may be given :

#### TEN YEARS' INCREASE IN MANUFACTURES. 1881-1891.

Number of establishments .....	26,237
Capital invested.....	\$189,663,327
Number of employes .....	115,362
Wages paid .....	\$41,261,948
Raw material used.....	76,189,849
Value of the product.....	\$166,527,019

Primarily, of course, the prosperity of Canada is dependent upon its agriculture, and there can be little doubt that as the home market has developed by the growth of cities, and foreign competition within the Dominion has been restricted, the farmer has correspondingly benefitted. According, indeed, to the theory which has long been accepted by the majority of Canadians, the home market is the first and most natural one for our farmers, the second, and so far as demand is concerned, the largest, being in Great Britain. That the former has been greatly enlarged under a protective tariff is evident from the Census returns of 1891. As pointed out above, artisans increased during that period over a hundred thousand in number and their wages rose by over \$40,000,000. Meantime the previous large imports of American farm produce were restricted, the production of the North-West increased by leaps and bounds, while concurrently with the supply of a much larger home demand, the farmers sent more of almost everything to the United Kingdom, and have opened out a dozen new avenues of production and supply—notably in cattle, cheese and apples.

There is another side to this picture. The facts as given are admitted ; but it is claimed, with truth, that the population of Canada has not increased as it should have done, and that a good many thousand Canadians have emigrated to the United States. It is asserted that the tariff has produced monopolies, and that the latter have been the cause of much political corruption. The expenditure upon public works is declared to have been extravagant, and that upon railways very frequently unnecessary. It is pointed out that the national debt has risen from \$140,362,069 in 1878 to \$253,074,927 in 1895, and it is claimed that public indirect taxation

through the customs duties has for years been so high as to be an injury to the business, progress and settlement of the country.

Canadian agricultural exports to Great Britain, including only cattle, sheep and provisions, increased from \$7,226,629 in 1874, and \$7,924,569 in 1879, to \$28,045,630 in 1895. The development of Manitoba and the North-West also indicates the way in which the Dominion has advanced and may continue to advance. This progress, owing to the absence of any rapid increase of population, has not been characterized by that phenomenal rapidity which has left some of the western American States filled with wrecked settlements, bursted booms, and deserted towns, but has been (with some exceptions) a slow, cautious, and emphatically onward movement. Winnipeg and Brandon, Regina, and Calgary, and Portage la Prairie, hundreds of miles apart, show the same steady growth, while Manitoba now teems with wheat farms instead of deserted prairie lands, and the Territories are replacing the gopher and the coyote with cattle and horses.

True, the United States lies along the border, and no fiscal consideration can leave out of view the claims of contiguity which it presents. But Dakota and Minnesota, Oregon and Washington have products very similar to those of Manitoba or British Columbia. They are rivals in milling, competitors in production, opponents in railway matters; the cities are antagonists in enterprise, in jobbing and importing and distributing interests, while the farmers and manufacturers are naturally rivals. And all the surplus staple products of each side of the border go to the common natural market in Great Britain. This statement applies to Ontario as well as to New York, to Nova Scotia as to Maine, to Manitoba as well as to Minnesota. Assertions about contiguity constituting the natural market, and the millions of population in the United States being the natural customers of Canada because they are upon the same continent, are clearly controverted by the experience of other countries as well as by the direct evidence of Canadian trade. China has not been known to seek and find a natural market in Japan, nor does she find in the teeming millions of India natural customers for her products, though the countries border on one another,

China, Japan, and India all send many times as much produce and merchandise, thousands of miles to Great Britain, as they do to each other. Australia sends nearly the whole of her exports to England, although the United States is 2,000 miles nearer, while France sends to the latter country double as much as to Italy, which is next door. Germany and Belgium have found the Argentine Republic a better customer than Russia, Italy, or Spain. So with the United States, which sells to its "natural market" in the Argentine, Central America, Mexico, etc., \$40,000,000 worth, where it sells \$400,000,000 worth to Great Britain, two thousand miles away.

But this theory of the immense value of the American market to Canadians has over and over again broken down. It is an economical heresy which will not, I believe, bear the light of facts and figures. In 1895 Canada exported agricultural products (including animals) to the United States valued at \$7,423,170 and in the same year imported from that country \$8,930,509 worth. Meanwhile our export to Great Britain of similar products was \$40,436,859 and imports from there \$566,589. The relative value of the two markets is an important matter in connection with our fiscal policy and the new and important departure recently made (1897). If, as is claimed, the British market has been, is now, and always must be, so far as can be seen ahead, the main object of our farmers after the satisfaction of local demands, then the whole principle of Canadian fiscal regulations should be the promotion of trade in that direction by the creation of rapid lines of inter-communication and the establishment of a preferential tariff. If, on the other hand, the United States is the most profitable market for the whole Dominion, as it may be for a few towns along the border, then our policy should be directed to the cultivation of American trade and continental commerce, unless national reasons prevent. If the first case is the correct one, Canada should retain a moderate tariff while working towards freer trade within the Empire, a preferential system, a fast Atlantic service, and an Imperial cable line to Australia. If the second is the true course commercially, and we are willing to waive all political and national considerations, then Commercial Union or free trade with



the United States is the proper fiscal policy. To sum up the fiscal history of Canada, it may be said to cover a wide ground of experiment and experience in every possible economic direction. It reveals much of disaster, commercial dependence, and commercial independence. It shows occasional poor financing, disturbed or depleted revenues, and burdensome taxation. It reveals a somewhat heavy national debt, but one that does not compare with those of the Australian Colonies. The customs duties are higher by 13 per cent. than in 1878, and the revenue indirectly collected is much greater. But over a hundred articles of necessity have been placed upon the free list since then, and many millions of dollars saved to the pockets of the people since 1882 by the remission of duties upon tea, coffee, tin, sugar, bill-stamps, and newspapers.

It may be said, in brief, that before Confederation the fiscal policy of Canada was one of experiments dependent upon other countries for

success or failure; from 1868 to 1872 it was protective from external circumstances rather than from internal regulations; from 1872 to 1879 it was one which may be said to have "marked time"; while from the latter date to the inauguration of Sir. Wilfrid Laurier's policy in 1897, it was one of positive protection. The results during the first two fiscal periods were necessarily conflicting and of doubtful value; in the third period they seem to have been distinctly unfortunate; and in the fourth, so far as the general comforts of a people, the development of a new country, and the support of the public may be proofs, distinctly beneficial. The future can only be judged by the past, but with distinct aims and a steadfast policy there is nothing to prevent Canada being the pioneer in a great Imperial trade union which shall merge in one powerful fiscal bond all the countries of the British Empire with their innumerable and varied productions.

**The British Treaties of Commerce** affecting Canada, and including those with Germany and Belgium which have been recently abrogated by the Imperial Government under the usual one year's notice, are as follows:

1825. Argentine Confederation. Reciprocal, most-favoured nation stipulations. Applicable to British dominions. No term fixed.

1876. Austria-Hungary. Reciprocal most-favoured nation stipulations. Applicable to British colonies and foreign possessions. Terminable one year after notice.

1862. Belgium. Reciprocal and most-favoured nation stipulations. Applicable to British colonies.

Article XV. provides that articles, the produce and manufacture of Belgium, shall not be subject in the British colonies to other or higher duties than those which are or may be imposed upon similar articles of British origin. Terminable one year after notice; but by Article XXV. the high contracting Powers reserve to themselves the right to introduce into the Treaty by common consent any modifications which may not be at

variance with its spirit or principles, and the utility of which may be shown by experience.

1840. Bolivia. Reciprocal, most-favoured nation stipulations. Applicable to British dominions. No term fixed.

1854. Chili. Reciprocal, most favoured nation stipulations. Applicable to British dominions. Terminable one year after notice.

1866. Colombia. Reciprocal, most-favoured nation stipulations. Applicable to British dominions. Terminable one year after notice.

1883. Corea. Article X. stipulates that the Government, public officers, and subjects, shall participate in all privileges, immunities and advantages, especially in relation to import or export duties on goods and manufactures, which shall then have been granted or may thereafter be granted by His Majesty the King of Corea to the Government, public officers or subjects of any other Power. Applicable to British colonies unless excepted by notice. May be modified one year after notice.

1849. Costa Rica. Reciprocal, most-favoured, nation stipulations. Applicable to British terri-



tories and dominions. Terminable one year after notice.

1860-61. Denmark. Reciprocal, most-favoured nation stipulations. Applicable to British dominions. No terms fixed.

1860. Dominican Republic. Reciprocal, most-favoured nation stipulations. Applicable to British dominions. Terminable on notice.

France. The general treaty of 1882 excepts colonial produce from most-favoured nation treatment.

1893. Treaty with France. Commercial agreement between the United Kingdom (on behalf of Canada) and France.

Article I. provides that still wines less than 26 per cent. alcohol shall be exempt from the surtax or ad valorem duty of 30 per cent. That the duty on common and castile soaps shall be reduced one-half, and the duty on nuts, almonds, prunes and plums by one-third.

Article II. provides that tariff advantages granted by Canada to a third Power shall be enjoyed by France, Algeria and French colonies.

Article III. provides that certain goods of Canadian origin shall be subject only to the minimum duty in France, Algeria and French colonies, viz., canned milk, condensed milk, fresh water fish, fresh lobsters and crawfish preserved in their natural forms, apples and pears, fresh or dried preserved fruit, building timber, wood pavement, staves, wood pulp, shaving extract, common paper, prepared skins, boots and shoes, common furniture (except chairs), flooring of soft wood and wooden ships.

Any French tariff advantage to other Powers is to be extended to Canada.

1865. Germany (Zollverein). Reciprocal, most-favoured nation stipulations.

Article VII. runs: "The stipulations of the preceding Articles, I. to VI., shall also be applied to the colonies and foreign possessions of Her Britannic Majesty. In those colonies and possessions the produce of the States of the Zollverein shall not be subject to any higher or other import duties than the produce of the United Kingdom of Great Britain and Ireland, or of any other country of the like kind, nor shall the exportation from these colonies or possessions to the Zollverein be subject to any higher or other duties

than the exportation to the United Kingdom of Great Britain and Ireland." Terminable one year after notice.

1848. Liberia. Reciprocal, most-favoured nation stipulations. Applicable to British dominions. No terms fixed.

1865 and 1883. Madagascar. Special stipulations. Applicable to British dominions. No terms fixed.

1856. Morocco. Most-favoured nation clause in favour of British subjects. Applicable to British dominions. No terms fixed.

1891. Muscat. Most-favoured nation clause in favour of British subjects, and duties not to exceed 5 per cent. Applicable to British colonies and possessions. Canada was excepted but acceded by Order-in-Council, February 6th, 1893. May be revised and amended after twelve years, on one year's notice.

1841 and 1857. Persia. Reciprocal most-favoured nation stipulations. Applicable to British dominions. No terms fixed.

Portugal. The Imperial Blue-Book Com. No. 17, 1893, says that the treaties of 1842 and 1882 have expired, but British trade continues to enjoy the most-favoured nation treatment in Portugal.

1859. Russia. Reciprocal, most-favoured nation stipulations, except Sweden and Norway. Applicable to British dominions. Terminable one year after notice.

1851. Sandwich Islands. Reciprocal, most-favoured nation stipulations, with the following proviso: "Gratuitously if the concession in favour of the other State shall be gratuitous, or in return for a compensation as nearly as possible of proportionate value and effect, to be adjusted by mutual agreement, if the concession shall have been conditional." (Article III.) Applicable to British dominions and territories. Terminable one year after notice.

1885. Siam. Most-favoured nation clause in favour of any part of the British dominions for spirits, beer, wines, etc. Applicable to British dominions for spirits, beer, wines, and spirituous liquors. Terminable after six months' notice.

1884. South African Republic. Reciprocal, most-favoured nation stipulations with provision as follows: "These provisions do not preclude the consideration of special arrangements as to im-

port duties and commercial relations between the South African Republic and any of Her Majesty's colonies or possessions." Applicable to British dominions, with proviso as above. No terms fixed.

1892. Spain. By Royal Order of June 29, 1892, Spain ordained that so long as the United Kingdom granted the most-favoured nation treatment, British goods imported into Spain should enjoy the benefit of being subject to the duties of the second column of the tariff. By Royal Order of June 30, 1892, this provision was extended to Cuba and Porto Rico.

1826. Sweden and Norway. Reciprocal, most-favoured nation stipulation. Applicable to British colonies. Terminable one year after notice.

1855. Swiss Confederation. Reciprocal, most-favoured nation stipulations. Applicable to British territories. Terminable one year after notice.

1875. Tunis. Reciprocal, most-favoured nation stipulations. Applicable to British colonies. May be revised by common consent.

1885. Uruguay. Reciprocal, most-favoured nation stipulations. Applicable to British colonies and possessions with exceptions. Canada was excepted but acceded. Terminable one year after notice.

1825 and 1834. Venezuela. Reciprocal, most-favoured nation stipulations. Applicable to British dominions. No terms fixed.

**The following are the British Treaties of Commerce from which Canada was excepted unless by consent:**

Egypt, 1889. Canada declined to accede. Order-in-Council, September 7, 1891.

Ecuador, 1880. Canada declined to accede. Order-in-Council, November 10, 1882.

Greece, 1886. Canada declined to accede. Order-in-Council, November 24, 1887.

Italy, 1883. Canada declined to accede. Order-in-Council, September 15, 1883.

Mexico, 1888. Canada declined to accede. Order-in-Council, May 22, 1889.

Montenegro, 1882. Canada declined to accede. Order-in-Council, March 1, 1883.

Muscat, 1891. Canada acceded. Order-in-Council, February 6, 1893.

Paraguay, 1884. Canada declined to accede. Order-in-Council, December 27, 1886.

Roumania, 1892. Canada declined to accede. Order-in-Council, May 8, 1893.

Salvador, 1886. Canada declined to accede. Order-in-Council, December 27, 1886.

Servia, 1893. Canada declined to accede. Order-in-Council, March 9, 1894.

Uruguay, 1495. Canada acceded. Order-in-Council, December 27, 1886.

Zanzibar, 1886. Canada did not accede.

**In a communication submitted to the Colonial Office by Mr. T. H. Farrer of the Privy Council Committee for Trade—now Lord Farrer and a well-known free trade enthusiast—it was stated on June 25th, 1868, that:**

"Treaties have recently been made with several foreign countries (Prussia and Austria for instance) stipulating 'most-favoured nation treatment' for the produce of those countries in all British possessions. If, therefore, Canada admits United States breadstuffs, etc., duty free, a similar exemption must be accorded to German and Hungarian produce, and the produce of all countries with whom similar treaties have been made—and, as a necessary consequence, the Canadian Act ought to be so framed as to enable or compel the Canadian Government, in case of arrangements with the United States, to comply with the Treaties in question. But this is not all. If, as is to be hoped and expected, the international arrangements referred to become general, and if they take effect, as they must, in Canada as well as in the other parts of the British Empire, the ultimate result may be that British produce, *i.e.*, the produce of the United Kingdom and of British possessions not situate in North America, will be the only produce which is shut out, by differential duties, from consumption in Canada.

Thus the old colonial system, by which the trade of the colonies was contracted and crippled in order to protect the manufacturers and traders of the mother country, will be reversed, and the colony will protect its own trade and manufactures at the cost of the mother country, whilst the mother country is, at the same time, submitting to heavy burdens of another kind for the defence and protection of the colony. It is for the Sec-

retary of State to consider whether this is a result which should be sanctioned by Her Majesty's Government, as it must necessarily be, if this Bill receives unqualified approval."

The measure referred to was the general fiscal re-organization which followed Confederation and admitted the goods of all the Provinces of the new Dominion free into every other part whilst levying one uniform tariff rate upon the products of external countries—British or foreign. It therefore appeared to Mr. Farrer and those whom he represented that under any future Reciprocity arrangement with the United States—in which "favoured nation" countries might have to be included—Great Britain would alone be excluded from the Canadian market. Hence the very natural enquiry.

**The fluctuations of Canadian trade** during the period when it was both helped and hampered by the British Preferential system and the Navigation Laws, may be traced in some measure in the following Shipping statistics compiled by Mr. W. H. Smith in a useful work published about 1850 and long since out of print. In 1791 the vessels visiting the Port of Quebec were 90 all told. They varied in numbers afterwards as follows:

Year.	Cleared at Quebec.	Tonnage.
1805.....	146.....	25,136
1808.....	334.....	66,373
1809.....	440.....	87,825
1810.....	635.....	138,057
1812.....	532.....	116,687
1813.....	399.....	86,436
1814.....	198.....	46,514
1815.....	194.....	37,382
1819.....	409.....	94,675
1820.....	585.....	147,754
1822.....	583.....	145,272
1823.....	538.....	134,062
1827.....	619.....	152,712
1828.....	716.....	183,481
1830.....	967.....	238,153
1831.....	1,016.....	261,218
1842.....	864.....	307,687
1844.....	1,232.....	451,142
1845.....	1,489.....	576,541
1846.....	1,480.....	568,225

Year.	Cleared at Quebec.	Tonnage.
1847.....	1,210.....	479,124
1848.....	1,188.....	452,436
1849.....	1,184.....	465,088

As illustrating the progress made since that period it may be said that, during the fiscal year 1896, 356 vessels, with a tonnage of 629,426, cleared inwards; and 263 vessels, of 368,356 tons, cleared outwards from Quebec. Meanwhile from Montreal, at which 144 vessels of 37,425 tons had cleared in 1849, 376 vessels with a tonnage of 795,151 had cleared inwards in 1896, and 386 vessels of 792,460 tons outwards.

**The financial and commercial crisis of 1857-8** is of great historical importance as illustrating the dependence of Canada upon United States conditions when bound to that country by the powerful ties of reciprocal trade arrangements. It was a period which will long be remembered as marking one of the most severe and sudden commercial crises which have occurred during the present century. The recurrence of such panics at almost regular intervals has afforded matter for much theoretical discussion, and political economists have advanced, from time to time, very many different ideas upon the subject. The causes of this particular crisis were, doubtless, different in different countries, yet so intimate are the relations which bind commercial nations together, that any interruption to the general business of the one was then, as now, speedily and injuriously felt by all.

Within the previous forty years the commercial world had experienced five distinct "crises," each varying in its apparent causes. That of 1818 is remembered for its severity both in England and the United States. In 1825-6 another crisis occurred, induced by famine in England and a fall in the price of cotton in the United States. In 1833 a financial revulsion took place in the United States consequent upon the establishment of the Treasury by General Jackson, and the removal of Government deposits from the United States Bank. In 1837 occurred the greatest commercial and financial crisis of which we have any account, exceeding in its effects and endurance, though not in intensity, that of 1857.

The crisis of 1857 seems to have fallen like a

thunderbolt on the commercial world. The mania for speedy riches had so blinded the public mind in the United States that the accumulating dangers on every side were unperceived, or uncared for, until the entire commercial and monetary systems of the continent were involved in one common chaos. According to an elaborate study of the subject in the Canadian Almanac of 1858, the abundant harvest of the Southern and Western States had been hardly secured when the failure of a large banking establishment in Ohio, with its principal agency in New York, alarmed the public mind. On the 24th of August, 1857, the Ohio Life and Trust Company closed its doors. The connection of this large institution with other minor concerns soon brought these to a stand, and the alarm, aided and increased by telegraphic rumours, soon became general. A feeling of universal insecurity created a desire to realize, and the best securities promptly depreciated in value. "Those step-children, called bank-notes, which are never welcome to the paternal roof, flocked home in thousands, like unwelcome visitors at the most inopportune moment. Discounts were contracted, and merchants, manufacturers, and business men generally who had large payments to make, yielded to the pressure. Stocks fell to an unprecedented low figure and exchange became unsaleable. The loss of that confidence so essential to commercial activity became the great cause of nine-tenths of the evils resulting from the crisis. Houses of undoubted standing were looked upon with distrust. Ample means was no security against failure. The bank looked upon the merchants' paper with suspicion, and the merchants looked upon the bank-notes with equal distrust. The poorer classes surrounded the banks and, in their eagerness to save themselves from loss, withdrew the precious metals, an act which was speedily to deprive them of their daily bread. Deprived of the basis of their circulation, the banks curtailed their discounts, workshops and factories were closed, and thousands of industrious workmen in the principal cities of the United States were thrown out of employment. Meantime the United States country banks (of which there were over 1,000) suspended in dozens, the banks in Philadelphia followed suit, and on the thir-

teenth of October several New York banks gave way. On the next day, by general agreement, the whole of the New York City banks (except the Chemical) suspended specie payment."

The turning point was, however, now reached, and men began to breathe more freely. The notes of the great majority of the United States Banks being secured by stock, passed freely, and for nearly two months scarcely a bank in the United States paid specie at its counter. From the United States the panic passed to the Canadian Provinces, which were then in such close commercial relations with the Republic. The prices of the principal articles of export fell nearly 100 per cent. in value in four months. The cry of bank failures in the United States was heard on every hand. Exchange in England had gone down to 98, and the Bank of England had raised the rate of interest to 10 per cent. The American bankers were collecting Canadian bank-notes over a frontier of a thousand miles, and demanding specie at every bank counter. The United States banks had suspended specie payment. The Bank of England had been permitted by Government to exceed its legal issues. The Bank of France and the Bank of Hamburg had received assistance from their respective Governments. Yet in the midst of this general embarrassment and alarm it is a matter not only of congratulation but of pride, that not one Canadian bank suspended specie payment. Intimately connected with the neighbouring States in our business relations, having the same legal tender, and being exposed to the same risks from the withdrawal of public confidence, it speaks well for our bank management that not one banking institution in Canada dishonoured its paper for a single day. From the following table it will be seen that public confidence was never for a moment withdrawn :

#### MONTHLY AVERAGE OF CANADIAN BANKS.

Date, 1857.	Ca-ital.	Discounts.	Specie.	Circulation.	Deposits.
	\$	\$	\$	\$	\$
July 31st	17,924,667	32,243,081	2,264,167	10,760,167	8,625,924
Aug. 31st	18,092,088	32,931,843	2,272,310	10,777,358	8,621,015
Sep. 30th	18,044,701	33,968,627	2,024,081	11,507,205	8,837,278
Oct. 31st	17,887,692	33,082,530	2,135,270	10,711,813	8,142,254
Nov. 30th	17,940,354	31,273,691	2,553,435	9,866,435	7,455,129
Dec. 31st	17,991,288	30,745,735	2,217,237	9,157,976	8,137,484

It is true that many parties advised the suspension of specie payment, and a member of the

Provincial Parliament compared the conduct of the banks to the charge at Balacava, "as mad as it was glorious." The above figures, however, clearly indicate that no sudden contraction of the currency took place. "It cannot be denied," says the writer already quoted, "that the determination of the banks to continue specie payments at all hazards was attended with serious inconvenience to the mercantile community; but, on the other hand, the pressure to which these were subjected was the best test of their solvency, and cannot fail ultimately to give confidence in their stability." Meanwhile Canadian productions had not only depreciated in value, but owing to the tightening of money could not be brought to market, and the general business of the country was seriously interrupted. Three-fourths of the people of Upper Canada were then engaged in agricultural pursuits, and the others were mainly dependent upon the result of their labours. The fall in the price of wheat was therefore a great cause of embarrassment. Then, as now, it was perhaps the main element in the prosperity of the Province.

The United States in its mines and manufactures had sources of wealth apart from the products of the soil, but in Canada it was otherwise. The consequence was that "debts contracted in June, 1857, required double the quantity of produce to discharge them in June 1858." The evil was incurred by Canadian purchases being principally from abroad. The large importations sent the gold out of the country and contracted the bank circulation. The scarcity of money prostrated internal trade, and the farmer's home market was destroyed. His returns were diminished on every side, while his liabilities remained the same. At this time the people of Toronto and Hamilton were actually supplied to a large extent with butter and cheese, eggs and vegetables, from the United States, while with a soil and climate adapted for raising the best fruit in the world large quantities of apples were imported from the same country. This was an inevitable result of the Reciprocity Treaty, and, with many of the ill effects of the crisis of 1857, has to be included in its debit and credit account. The following two years was indeed a period of the most severe depression throughout the Provinces.

**The financial and commercial crisis of 1893** in the United States appears to illustrate the advantage of Canadian commercial independence, as the crisis of 1857 proved the danger of dependence. The disturbance was very severe and very sudden. External events as well as internal mistakes in policy had much to do with it, and the following historical table speaks for itself:

- 1890. The practical bankruptcy of Portugal.  
Collapse of South African mining boom.  
Collapse of Argentine Republic boom,  
bringing down the great house of Bar-  
ing Bros.  
Sherman Silver Act passed by United  
States Congress.
- 1891. Process of re-organization and re-habilita-  
tion going on generally throughout the  
world.
- 1892. Restriction of mercantile credits and  
wide-spread efforts to settle old ac-  
counts.
- 1890-2. British speculative investments being  
continually withdrawn from the United  
States in consequence of the Sherman  
Act—estimated at \$500,000,000.

In March, 1893, the New York stock market began to show extreme sensitiveness, and gold was freely exported. In April there were many panicky symptoms in the stock market, the gold clause in contracts was insisted upon, and the United States Treasury Gold Reserves dropped below one hundred million dollars. In May, nearly all the stocks listed in the New York Exchange went down in price, the bankers called in old loans, refused new ones except on a much larger margin of collaterals, and began to scrutinize commercial paper very closely. Business failures soon showed an abnormal increase over the corresponding period in previous years, while gold was shipped to England at the rate of \$1,000,000 a day. The crash in prices of industrial securities in Wall Street followed, the Australian bank failures intensified the trouble, the Bank of England raised its discount rate, and over three hundred American banks suspended.

Thousands of manufacturing concerns closed down during this and the succeeding year and a period of intense depression followed the panic. In

Canada, the general depression was naturally felt, but there were no abnormal evidences of trouble. No banks failed—except a small concern which had been on the verge for a long time—the number of failures were less than usual during the year, and in trade, revenues and absence of all serious financial difficulty the Dominion held its own and proved its capacity to stand apart from the troubles of its great neighbour.

In 1865 a movement was inaugurated for extending Canadian trade. It took the form of a meeting held at Quebec in September. Delegates were present from the various Colonies of British America, and the gathering called itself a Confederate Council for Trade and was in reality a precursor of the coming Confederate Parliament. There was much unanimity of opinion and the following resolution was passed without dissent:

"That in the opinion of this Council it would be highly desirable that application be made to Her Majesty's Imperial Government, requesting that steps be taken to enable the British North American Provinces to open communications with the West India Islands, with Spain and her colonies, and with Brazil and Mexico, for the purpose of ascertaining in what manner the traffic of the Provinces with those countries could be extended and placed on a more advantageous footing."

A Commission was accordingly appointed composed of the following gentlemen:

Canada: Hon. Wm. McDougall, M.P.P.; Hon. Thos. Ryan, M.L.C.; J. W. Dunscombe, Collector of Customs, Quebec; A. M. Delisle, Collector of Customs, Montreal.

Nova Scotia: Hon. James Macdonald, M.P.P., Financial Secretary; Hon. Isaac Levesconte, M.P.P.

New Brunswick: W. H. Smith, Collector of Customs, St. John.

Prince Edward Island: Hon. W. H. Pope, M.P.P., Colonial Secretary.

After considerable travelling and much discussion the Commissioners obtained from the Governments of the British Colonies of Demerara, Trinidad, the Windward Islands, the Leeward Islands, and Jamaica, a formal assent to the following propositions:

"That customs duties and port charges on the produce and shipping of the respective Colonies shall be levied solely for revenue purposes, and for the maintenance of indispensable establishments, and that the several Governments will be prepared to consider, in a liberal spirit, any complaint having reference to imports that may be preferred by another Government, on the ground that such imports are calculated to obstruct trade.

That, finding the Postal Service between British America and the West Indies irregular and insufficient, the Commissioners obtained from the same authorities a conditional agreement to aid, by a subvention or otherwise, in the establishment of improved postal communication."

The Commissioners made certain suggestions in their Report to the Governor-General concerning a possible direct trade between British North America and the British and Foreign West Indies, Brazil and Mexico, from which the following are quoted:

"To procure, by reciprocal treaties or otherwise, a reduction of the duties now levied on flour, fish, lumber, pork, butter, and other staple productions of British North America, in the West Indies, and especially with Brazil and the Colonies of Spain.

To obtain, if possible, from the Spanish and Brazilian authorities, a remission of the heavy dues now chargeable on the transfer of vessels from the British to the Spanish and Brazilian flags.

To procure, by negotiation with the proper authorities, an assimilation of the tariffs of the British West India Colonies in respect to flour, lumber, fish, and other staples of British North America; a measure which would greatly facilitate commercial operations, and may well be urged in view of the assimilation about to be made in the tariffs of Canada and the Maritime Provinces.

To promote, by prudent legislation and a sound fiscal policy, the rapid development of the great natural resources of the British North American Provinces, and to preserve, as far as lies in their power, the advantage which they now possess of being able to produce, at a cheaper cost than any other country, most of the great staples which the inhabitants of the tropics must procure from northern ports.



That the Commissioners are happy to inform Your Excellency that they were received with marked attention by the representatives of Her Majesty in the British Colonies, by His Imperial Majesty the Emperor of Brazil, and by the authorities of all the Foreign Islands and places visited by them; and that everywhere they found both the Governments and the people anxious to obtain information and to promote the objects of the mission."

For various reasons, connected mainly with local political troubles and the ensuing pressure of the Federal movement upon Canadian public attention, very little immediate result came of this Report and the work of the Commission; but it is of historical importance.

**The question of Canadian Tariff privileges** has always been a most complicated one. In a Report written by Sir John Rose, then Dominion Finance Minister (Sessional Papers No. 47, 1869) he dealt, under date of January 13, 1868, and at some length, with the situation at that time:

"The question referred to by His Grace (the Duke of Newcastle) has formed the subject of repeated discussions between Canada and the North American Colonies on the one hand and the Imperial Government on the other, since the year 1850. In that year, an Act was passed empowering the Governor-in-Council to permit the free entry into Canada of the products of any of the North American possessions; and though Earl Grey, then Secretary of State for the Colonies, called attention to its provisions, the Act would not appear to have been disallowed; and subsequently enactments of a similar kind have from time to time received the sanction of Parliament and been left to their operation by Her Majesty's Government.

In the year 1860, when it was proposed to extend the then existing arrangements between the British North American Provinces so as to allow the reciprocal admission to one another of all articles of their respective growth or manufacture, free of duty, and to assimilate the several tariffs of these Provinces, the Lords of the Committee of Privy Council for Trade recommended that it should be made a condition of the assent of Her

Majesty's Government to the proposal in question, that any such exemption from import duty should be equally extended to all similar produce and manufacture of other countries.

To this proposed condition Canada took exception, and a Report of the Finance Minister, in which the views of the Canadian Government were fully stated, was adopted by the Executive Council on the 29th December, 1860, and was subsequently transmitted to the Secretary of State for the Colonies. After due consideration of the views expressed in this Minute, Her Majesty's Government, in a despatch from His Grace the Duke of Newcastle, dated 5th February, 1861, intimated that they had no wish to offer an obstacle to any endeavours which might be made by the respective Provincial Governments to bring about a free commercial intercourse between the North American Provinces. Since that time the subject of Intercolonial Reciprocity has been discussed without any further remonstrance on the part of their Lordships, until the Despatch now under review was received."

**The progress of the Protectionist movement** in Canada, from Confederation up to the time of its triumph in the National Policy of 1879-96, may be traced in the Motions presented to the House of Commons. On March 7th, 1870, Mr. Thomas Oliver, Liberal member for North Oxford, moved for an Address to His Excellency praying for the imposition of an import duty on wheat, flour, Indian corn, hops, coarse and fine salt, and coal. This was supported by Mr. M. C. Cameron, then representing South Huron, who made the following interesting references to the question:

"When salt was first discovered in Michigan, they gave a bounty of twenty cents a barrel on all that was exported, and the wilderness of Saginaw was now one of the most thriving settlements in the States. The policy of the salt manufacturers there was to supply the home market first and send off the remainder. When they had shipped to all their own customers, they disposed of the remainder in Canada, sending in large quantities at uncertain times. He did not object to healthy competition, but to an unhealthy and illegitimate traffic, by which all operations were disturbed. Every industry was nearly in the same position,



but salt stood in a peculiar position, from the wealth of the manufacturers who had resolved to crush the infant manufacture of Canada. Then, the Americans had the benefit of return freights, which was an important consideration. He was not, as a whole, an advocate for a retaliatory policy, but there were some articles with regard to which it was judicious and right to adopt it. He believed that the country was excited on the subject, and petitions had been presented from all quarters. He had presented himself petitions from the county of Huron, the largest and most respectable county in the Dominion (laughter), and which contained fully one-half of the population of New Brunswick; and all the County Councils in Ontario were in favour of the proposals brought forward by the member for Oxford."

The motion was not, however, pressed, and a few months before its overthrow, in 1873, the Macdonald Government promised an increase in the duties. Following the Oliver Motion came Mr. Huntingdon's appeal for a Customs Union with the American Republic and the appointment, in 1876, of Mr. Mills' Committee of Inquiry into the Depression. On February 29th, of this latter year, Mr. Workman of Montreal moved the following Resolution:

"That this House deeply regrets to learn from the speech of the Hon. Minister of Finance (Mr. Cartwright) on Friday last, that the Government has not proposed to this House a policy of protection to our various and important manufacturing industries; and that the large amount of capital now invested in these industries, and their present depressed condition, render such a policy necessary to restore them to a condition of prosperity."

This was ruled out of order, and the following was substituted by Mr. Æmilus Irving, Q.C., who then represented Hamilton in the House:

"Resolved: That this House, in maintaining the policy adopted by the present and past Governments in limiting the rate of duties upon the importation of those classes of articles which are produced in the country, to the extent required to meet the wants of the revenue, fully appreciates the national benefits arising from the degree of protection to the existing manufacturing industries of the Dominion afforded under that

system, but observes with regret that the fluctuation in price, resulting from the uncertain condition of foreign markets affecting the Canadian markets, and incapable of being foreseen by the Canadian manufacturers, exposes our manufacturing interests to unfair competition, and this House, while now ready to record its approval of the general policy of the present Administration, is nevertheless of opinion, that the said manufacturing interests deserve the continued care of Parliament, and that the time has arrived when the Government of the Dominion should inform the Imperial Government that the Parliament of Canada deems it necessary to revive some of the features of a former policy by imposing differential duties; and to indicate, further, that in order to meet the difficulties against which Canadian manufactures are struggling, and in the general interests of the Canadian public, and to bring the British and foreign manufacturer on nearer terms of equality in the Canadian market, this House will be prepared to approve of any measure to be submitted to them by the Administration whereby a rate of not less than ten per cent. should be added to the existing importation tariff against such articles of foreign manufacture, of which the same classes are manufactured in the Dominion, by way of difference to that extent in favour of like classes of production of the Mother Country."

This resolution was lost upon a division of 174 to 3—neither party apparently supporting it. On March 10th, Sir John A. Macdonald, as leader of the Conservative Opposition, moved:

"That this House regrets that His Excellency the Governor-General has not been advised to recommend to Parliament a measure for the readjustment of the tariff, which would not only aid in alleviating the stagnation of business deplored in the gracious Speech from the Throne, but would also afford fitting encouragement and protection to the struggling manufactures and industries, as well as to the agricultural products of the country."

After considerable discussion the motion was lost by 116 votes to 70.

On March 6th, 1877, Sir John A. Macdonald again moved an amendment to Mr. Cartwright's Budget proposals, as follows:

"That it be resolved that this House regrets that the financial policy submitted by the Government increases the burthen of taxation on the people without any compensating advantages to Canadian industries; and, further, that this House is of opinion that the deficiency in the

Revenue should be met by a diminution of expenditure, aided by such management of the tariff as will benefit and foster the agricultural, mining and manufacturing interests of the Dominion."

In amendment to this amendment, Mr. A. T. Wood moved:

"That all the words after 'Resolved' be left out, and the following inserted instead thereof: 'That, inasmuch as it has been deemed necessary to raise an additional revenue it is the opinion of this House that the interests of the country would be better served by imposing additional duties up-



Dr. George T. Orton.

on such goods and wares as may be produced in Canada, thereby affording increased protection while securing the additional revenue required."

On March 15th this was negated on division by 109 to 78, and the following new amendment to the amendment was also lost by 113 to 74. It was moved by Dr. George T. Orton, of Centre Wellington:

"That all the words after 'Resolved' in the said amendment be left out, and the following inserted instead thereof: 'That this House ex-

presses its regret that the Government have not seen fit, with a due regard to all other industries, so to arrange the Customs Tariff as to relieve the farmers of Canada from the unjust effects of the one-sided and unfair Tariff relations which exist between Canada and the United States in reference to the interchange of agricultural products; and at the same time place this country in a better position to negotiate a fair and just reciprocity in the interchange of such products between Canada and the United States.'"

Sir John Macdonald's amendment was then negated on a party division by 119 to 70. In the succeeding year, on March 7th, Sir John again returned to the charge with the following somewhat famous Resolution in amendment to the Supply motion:

"That the Speaker do not now leave the Chair, but that this House is of the opinion that the welfare of Canada requires the adoption of a National Policy, which, by a judicious re-adjustment of the Tariff, will benefit and foster the agricultural, the mining, the manufacturing and other interests of the Dominion; that such a policy will retain in Canada thousands of our fellow-countrymen now obliged to expatriate themselves in search of the employment denied them at home; will restore prosperity to our struggling industries, now so sadly depressed; will prevent Canada from being made a sacrifice market; will encourage and develop an active Inter-Provincial trade; and moving (as it ought to do) in the direction of a reciprocity of tariffs with our neighbours, so far as the varied interests of Canada may demand, will greatly tend to procure for this country eventually a reciprocity of trade."

This motion, upon which the succeeding campaign was mainly fought and won by the Conservatives, was lost in the House by 114 to 77 votes. In 1879 it was the turn of the Liberals to move amendments to the newly presented tariff proposals of Sir Leonard Tilley, and on April 7th the Hon. Alexander Mackenzie, lately Prime Minister, made the following motion:

"That the said Resolutions be not now read a second time, but that it be resolved: 'That, while this House is prepared to make ample provision for the requirements of the public service,

and the maintenance of the public credit, it regards the scheme now under consideration as calculated to distribute unequally, and therefore unjustly, the burdens of taxation; to divert capital from its natural and most profitable employment; to benefit special classes at the expense of the whole community; tends towards rendering futile the costly and persistent efforts of the country to secure a share of the immense and growing carrying trade of this continent; and to create an antagonism between the commercial policy of the Empire and that of Canada that might lead to consequences deeply to be deplored."

It was defeated upon a party division of 136 to 53. From this time onwards the attacks by the Opposition upon the "National Policy" were continuous, and protection was most vehemently denounced. But until 1884 clearly defined party resolutions upon the subject were not presented, and after that date, with the following exceptions, they assumed the form chiefly of demands for Reciprocity with the United States:

On March 30th, 1882, the Hon. Wilfred Laurier moved the following Resolution in the House of Commons: "That Mr. Speaker do not now leave the Chair, but that it be resolved that in the opinion of this House the public interests would be promoted by the repeal of the duties imposed on coal, coke and breadstuffs, free under the former Tariff, and by these articles being made free." The motion was lost by 120 to 47.

On April 26th, following, the Hon. T. W. Anglin moved: "That it be resolved that the system and scale of duties on cotton and woollen goods have resulted in the imposition of a rate of taxation on those articles, chiefly used by the masses, inordinately high, and greater than the rate imposed on those articles chiefly used by the rich, and that the said duties should be amended so as to reduce the rate of taxation on the masses, and to make it more nearly proportionate with that levied on the rich."

This was lost by a vote of 118 Conservatives to 52 Liberals. Two days later the Hon. Isaac Burpee moved: "That it be resolved that pig, bar and sheet iron, boiler plate and tubing are materials for a large number of important Canadian manufactures in extensive use; that the

increased burden of duties, now imposed on such materials, enhances the cost thereof, to the damage of both the manufacturers and consumers, and that the duties on such materials for manufacturers should be reduced so as to enable the manufacturer to supply the consumers at a lower cost."

**The Balance of Trade was at one time a much discussed question.** It has certainly always been against Canada in its relations with the United States. During the twelve years from 1821 to 1832 (both inclusive) the United States official records show that their exports to the British North American Provinces were of the following aggregate value:

In home products .....	\$30,997,417
In foreign products.....	403,909

Total.....	\$31,401,326
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Meanwhile the entire imports of the United States in the same period from the Provinces were but.....

7,684,559

Leaving a balance in favour of the

United States .....	\$23,716,767
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During the thirteen years following this (1833 to 1845) the same state of things existed, with a steady increase of the aggregate traffic. The exports of the Republic to the British North American Provinces during this period were:

Of domestic products.....	\$54,082,537
Of foreign products.....	4,640,332

Total.....	\$58,722,869
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Meanwhile the imports of the Republic from the Provinces were

23,356,275

Leaving as a balance in favour of

the United States.....	\$35,366,594
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Thus, while from 1821 to 1832 the aggregate annual traffic between the countries averaged \$3,257,153, and from 1833 to 1845 \$6,313,780 per annum, the traffic rose between 1846 and 1853 to an average of \$14,230,763 per annum. But the balance of trade still preponderated to the advantage of the United States. In those eight years the Republic exported to the Provinces:

Of home products.....\$55,072,260  
Of foreign products..... 22,020,254

Total.....\$77,092,514

Meanwhile the imports of the Republic from the Provinces were 36,753,592

Leaving a favourable United

States balance of.....\$40,338,922

Of course, this American trade was largely nominal until the change in the British fiscal system in 1846-9. During the Reciprocity period of 1854-66 the balance increased to \$120,000,000 in favour of the United States, and from 1873 to 1896, inclusive, it totalled up to the enormous sum of \$280,930,148.

**In presenting his Motion for the appointment** of a House of Commons Committee in 1876 to inquire into the financial and commercial depression, Mr. David Mills—afterwards Minister of the Interior in the Mackenzie Government—stated on February 15th, that:

"I am of opinion that we are suffering to a very considerable extent from commercial depression in consequence of our intimate commercial relations with the trade of the adjoining Republic. I think it was a sound principle which was laid down many years ago by a distinguished English statesman, that one nation had the same interest in the commercial prosperity of another nation with whom it is carrying on trade to a large extent that a merchant has in the welfare of his customers. It is not very easy for the merchant to remain prosperous while his customers are impoverished, and it is not very easy for the people of this country who are engaged in commercial pursuits to be in a highly prosperous condition while those with whom they are dealing are suffering from financial depression. It is said by those who are in favour of seeking relief from the present depression by legislation in this House, that we might improve our condition by an alteration of the fiscal policy of this country. I am not going to say, Sir, whether that is the correct observation or not; I am not going to say whether we might restrain our importation—if there has been over-importation—by a protective tariff. I am not go-

ing to discuss this question. I am free to say that I believe that high duties upon imported articles have not always secured that object elsewhere; but whether they would do so in this country or not, I will not, in anticipation of any information that may be obtained on this subject by the Committee, pronounce an opinion. There is one thing I may notice here, that the balance of the trade has been for a number of years very largely against this country. I do not attach the importance to this fact that is sometimes attached to it, but it is, nevertheless, a fact not without importance. In 1868, the balance of trade against this country was \$16,000,000.

In 1869.....\$10,000,000

In 1870..... 1,250,000

In 1871..... 22,000,000

In 1872..... 28,750,000

In 1873..... 47,000,000

In 1874..... 38,860,000

In 1875..... 4,000,000

That is, from 1868 to June 30th, 1875, there was a balance of \$209,000,000 against this country. Now this is a very large amount, and if that represented the actual condition of things as between this country and other countries with whom we deal it would be a matter of very serious consideration."

**The Parliamentary Committee thus appointed** to inquire into the causes of the depression submitted a lengthy Report on the 11th of April, 1876, signed by Mr. Mills. The following extracts are of importance:

"It has been suggested by some of those who have been examined before the Committee that, as the United States have refused to adopt a friendly commercial policy towards this country, we should adjust our tariff with special reference to the policy which is there pursued. As a matter of mere diplomacy, such a course might possibly find a justification in case it were followed by success; but the Committee are of opinion that it could not be defended on economic grounds. The restrictions, if imposed, would not be less baneful in their consequences to both capital and industry here because the Government at Washington adopts a policy disastrous in consequences to its own people and vexatious

and hurtful to us. The Committee have no doubt that a liberal commercial policy will prove the most favourable to the interests of all classes in the country. Our foreign commerce is not inconsiderable, and, taking into account our mercantile marine, its extension will prove eminently conducive to the increase of the wealth and the general prosperity of the country.

The Committee believe that under no circumstances can it be favourable to the material progress of the country that fiscal barriers should be placed in the way of receiving from other countries those commodities which their soil, climate and present forms of industry make it to our interest to import rather than produce. Apart from any immediate commercial advantage, they think that from the evidence they submit to the consideration of the House, it will appear that it is not easy to over-estimate the beneficial effects resulting from the stimulus given to industry by a vigorous rivalry resulting from the sale of similar productions in the same market. The smallness of the profits not infrequently contributes largely to the improvement of machinery and other appliances by which the manufactured products are improved, labour is economized, and production is increased and cheapened. They do not pretend to say that a highly restrictive tariff, by which foreign imports might be checked or excluded from our markets, would not stimulate domestic production. This would no doubt be done, but only by a large increase of cost to the domestic consumer. It might to some extent invite foreign capital; but it would more frequently divert capital already found in the country from other pursuits, and this could be done only at the expense, for the time being, of the rest of the community.

The history of the growth of manufacturing industries both in Europe and America shows that capital has not always been wisely invested or prudently managed, when not subject to rivalry either by the manufacturer at home or the manufacturer in some foreign state. It is urged that if a restrictive tariff was adopted, a large number would find employment in manufacturing pursuits, who are either idle at home or employed abroad. The Committee do not concur in this opinion; they think that idleness is more likely to be con-

sequent upon those pursuits that can only exist by legislative hindrances, and that are liable to disaster during every period of commercial or financial depression. They think that freedom from legislative restraint not only stimulates trade with foreign countries, but by the constant struggle between rival industries which it permits to go on unchecked, forces capital into the most favourable channels, and thereby secures the selection, not only of the most suitable industrial pursuits, but prevents the misdirection of labour and capital which has everywhere followed upon Government interference.

The maxim of buying in the cheapest market and selling in the dearest, which is recognized as of general application in commercial transactions, is held by the advocates of the protective system inapplicable to separate communities. The argument by which this policy is supported and defended is that it brings the consumer and producer together, and thus does away with the cost of transportation. If this line of argument were sound, a community without the means of transportation, without railways or navigable waters, ought to be the most prosperous; and it does, indeed, seem strange that a Government spending large sums of money to afford facilities to commerce with other countries in order to promote the prosperity of the people, should afterwards seek to further national prosperity by heavy imposts tending to substitute artificial barriers in place of those which they have removed.

The Committee are of opinion that a policy which would destroy the carrying trade and compel those who engage in it, without any cost to the Government and without any call for protection, to seek other investments for their capital, and other forms of labour for those now employed in such service, must do so, not only to the detriment of the parties concerned, but to the detriment of the country. Without the influence of the incidents of foreign commerce, national industry would soon become stationary, and without the stimulus which rivalry and a knowledge of the different circumstances under which the same trade is being carried on, the elements indispensable to industrial improvement would be wholly wanting.

The Committee are of opinion that the national

policy founded on the greatest freedom of trade which the public credit will permit is the one most advantageous to this country, and will guarantee to its people the largest production of wealth by an expenditure of the least amount of capital and labour. They do not consider the results which have flowed from the trial of a restrictive policy in the United States of such a character as to justify the adoption of a similar course here. The whole tendency of legislation in that country has been to make the floor of Congress the arena where every capitalist has sought to raise his own rate of profits above the natural level, by seeking to tax the rest of the community for his benefit. The result has been that they have there entered upon the absurd enterprise of making every person rich by plundering all through the instrumentality of an absurd fiscal policy. The Government of Washington has for the past twelve years based its commercial policy upon exclusion, with the well-meant design of encouraging native industry, and notwithstanding their favourable circumstances, and their great natural resources, and notwithstanding that the mischiefs of their system have been mitigated by the freedom of trade which exists between the different States of the Union, their manufacturing populations are much more depressed than are those of this country, and those industries which have been most largely protected have suffered most since the present commercial depression began.

It can be established beyond question that the highly protective tariff, which is there in force, has compelled the great majority of the people, who must always remain consumers, to submit to privations, either in the quantity or quality of the articles consumed. It is a favourite assumption of those who advocate a restrictive system that the importation of foreign commodities discourages production to an equal extent at home. This is an assumption which has never been established. It may be true that certain branches of industry may not prosper greatly in the face of an unrestricted foreign competition; but it is equally true that the country will be benefited in so far as the investment of capital in undertakings, not in themselves profitable, can be checked. Industries for which a country is well suited do not need to be kept alive by burdens imposed up-

on others, nor are they likely to be the first to suffer during a period of depression. Those employments for capital in which a people engage without legislative interference are most likely to prove profitable, and are subject to the fewest vicissitudes.

The experience of every country, where a system of restriction upon foreign trade has been imposed with a view of encouraging the growth of manufactures, shows that not only are large burdens imposed upon the majority of a population, but that it ultimately fails to benefit the class on whose behalf it was first instituted. The benefit it confers upon the few must always be much less in amount than the loss it imposes upon the many. The same line of argument, which has been suggested to establish the proposition that it would be for the interest of the country to exclude foreign productions, would apply with equal force between the different Provinces of the Dominion.

An investigation into the effects of a protective policy, if time permitted, would be peculiarly appropriate, as there seems to exist in the minds of certain classes specially interested, the opinion that the distress which to some extent prevails, is due to the absence of a highly protective system. Such a system might diminish the consumption of foreign goods and lessen the amount of taxation received into the public treasury. The principal object of such a policy is to increase the price of goods of a similar kind manufactured in the country, so that the consumer would in reality pay a large tax, which would not find its way into the coffers of the country, and the most favourable view that could be taken of such a proposal is to say that it is a proposition to relieve general distress by a re-distribution of property.

The Committee invite the attention of the House to the statement that a large number of persons who now emigrate to the United States do so because home manufactures are not sufficiently encouraged by our fiscal policy; that if higher taxes were levied the population who now go thither would remain in Canada. Such has not been the effect of the protective system in the United States. The native population of New England, which, according to this theory, ought to have been retained there by establishment of



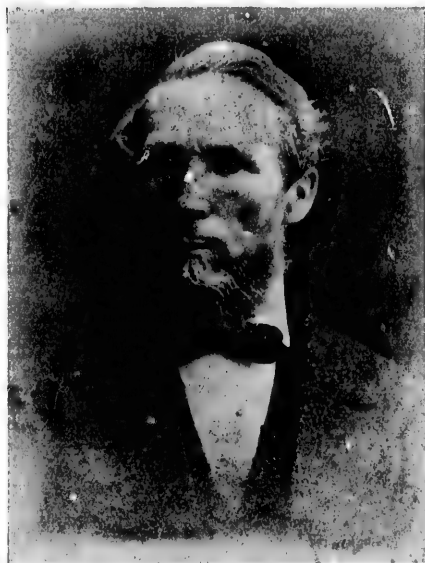
manufactures, have, nevertheless, gone to the Western States of the Union. No fewer than 568,608 out of 3,487,000 have left those States to settle elsewhere, while out of a population of 4,000,000 in Canada, but 493,000 have emigrated to the neighbouring Republic. The value of real estate in the New England States, where most of the manufactures of the neighbouring Republic are situated, has diminished nearly twenty-five per cent. This fact affords a most conclusive answer to the statement that the agriculturist is more than paid by the home market afforded for all the extra tax that he is called upon to bear. It is also worthy of note that while the casualties in the Eastern States amount to more than \$40,000,000 for the year, or \$11 per capita, the casualties of the agricultural States of the West, embracing nearly three times the population, are but 32,500,000, or \$2.70 per capita.

The evidence taken before the Committee shows that the average yearly produce of each workman engaged in manufacturing is about \$1,000 worth of manufactured goods. It is said that if those goods now paying 17½ per cent. were increased to 25 per cent., the greater portion of them might be produced in the country. If this statement be taken as true, looking to the age and sex of our manufacturing population, it would give employment to 50,000, who would include 100,000 more, dependent upon them. The Customs revenue would be diminished by \$9,000,000. The new population would pay upon the articles still taxable on the list \$225,000; the remaining \$8,775,000 would be required to be made up in some other way, and this tax of twenty-five per cent. added to the price of the goods produced at home would impose a burden of \$12,500,000 upon the consumers, as the condition of securing 150,000 additional inhabitants, who during a period of commercial depression might be left without employment, and might become a further charge upon the rest of the community."

On January 4th, 1891, the Hon. Alexander Mackenzie, M.P., Liberal Prime Minister of Canada from 1873 to 1878, made one of his last public utterances in the following summary of his views upon free-trade and protection :

"Our wealth is all to be taken from the soil,

the woods and the mines. The farmers are a great wealth-producing class, and any fiscal policy which presses hard upon them ensures a commercial crisis sooner or later. Every effort should be made by us to avert such a crisis. The natural course to pursue would be to turn to the policy of 1878, and in doing so the Liberals and Conservatives ought to accept any scheme which does not perpetuate further injustice. The country is at present naturally looking for some reform in tariff legislation in Canada and the United States, and no doubt the farmers of On-



The Hon. Alexander Mackenzie.

tario are largely interested in procuring such changes, while the other Provinces, owing to lack of those resources which Ontario possesses, are still more than anxious to secure a sounder policy. I may say, a considerable number of the farmers were led away in 1878 from their allegiance to sound principles. It has been said by some of the Ministerial papers that Great Britain would not consent to any extension of a free trade policy. I can only say that in the negotiations of 1874 at Washington, conducted by Mr.



George Brown, the Government was in active communication with the Colonial Office, and a list of the articles proposed to be embodied in the new treaty was transmitted for consideration to Downing Street.

The general spirit which pervaded these communications was simply that Canada and Canadians knew best what suited themselves. No doubt they were also aware of the fact that anything which benefitted Canadian trade would more or less be grateful to the statesmen of the Mother Country. I could never consent to the Zollverein policy for obvious reasons, but I cannot conceive why anyone should object to reciprocal free trade secured by treaty and not inimical to the interests of Great Britain as the heart of the Empire. I shall feel it to be my duty to vote in the direction of these remarks in Parliament, and I trust the reform will be accomplished before long which will restore the non-restrictive policy and do simple justice to the great wealth-producing classes of the country. And it will be the duty of the electors (of East York) to meet and select one who will faithfully represent their views. That does not require immediate action, but it is absolutely essential that from press and platform sound principles should be inculcated. The utter failure of the National Policy and the enormous increase in the national debt are reasons why the present Administration should not be supported any longer."

**Figures showing the depreciation** or otherwise in the values of various exported Canadian products between 1883 and 1895 have been compiled by the Dominion Statistician, and the following selection from his elaborate figures will show the change which has been steadily taking place:

Product.	1883 Average price.	1895 Average price.
Coal, per ton.....	\$ 2.52	\$ 3.22
Copper ore, per ton.....	34.18	129.30
Iron ore, per ton.....	3.09	9.11
Silver ore, per ton.....	142.00	156.47
Mackerel, per bbl.....	7.71	9.51
Salmon, fresh, per lb.....	14.30	9.39
Salmon, canned, per lb....	10.53	9.79
Fire-wood, per cord.....	2.36	1.92

Product.	1883 Average price.	1895 Average price.
Logs, pine, per 1,000 ft....	6.50	8.77
Logs, spruce, per 1,000 ft.	4.93	3.63
Deals, per st. h.....	32.54	28.24
Horses, each.....	125.45	89.03
Cattle, each.....	58.70	75.91
Sheep, each.....	4.50	5.57
Butter, per lb.....	.21	.19
Cheese, per lb.....	.11	.09
Eggs, per doz.....	.16	.12
Bacon, per lb.....	.11	.09
Wool, per lb.....	.20	.19
Apples, per bbl.....	3.16	2.13
Barley, per bush.....	.71	.42
Beans, per bush.....	1.49	1.21
Oats, per bush.....	.45	.34
Peas, per bush.....	.92	.70
Rye, per bush.....	.68	.52
Wheat, per bush.....	1.00	.61
Flour, wheat, per bbl.....	5.14	3.76
Hay, per ton.....	9.62	7.73
Potatoes, per bush.....	.43	.38
Organs, each.....	87.95	60.22

**The opinion of the Liberal party in Canada** regarding the National Policy in its fiscal aspect was well summarized by Sir Richard J. Cartwright, Minister of Finance in the Mackenzie Administration and Minister of Trade and Commerce (1897) in that of Sir Wilfred Laurier, in an article written for the *North American Review* of May, 1890, as follows:

"The results have been: 1. To remove all check on the expenditure of the Government and to encourage a reckless extravagance on their part, which has resulted in an annual expenditure for Federal purposes of nearly 50 per cent. more (after making all deductions) for a population of less than five millions than the sum required by the United States for the like objects when their population was over twenty millions.

2. To systematize and intensify the tendency (always so perilous to the welfare of representative governments) to use corrupt means for the purpose of influencing the press and the electorate, and to make it the direct pecuniary interest of a very active and influential class to provide a regular and large fund for such purposes.

3. To aggravate and accelerate the tendency to accumulate large fortunes in few hands, and at the same time to increase the indebtedness and depreciate the value of the property owned by the mass of the community, more especially in the case of the agricultural class.

4. To favour the growth of a few large towns at the expense of the smaller ones and of the rural population, which latter has been reduced to an absolutely stationary condition over very large portions of the Dominion, in spite of a large (alleged) immigration, and of the fact that much new territory has been thrown open.

These, so far, have been the results in Canada in the period from 1879 to 1890; and if they have been more marked than in other cases, the explanation is to be found in the fact, already alluded to, that for a variety of reasons Canada is singularly ill adapted for carrying out a scheme of protection, and was singularly unwise in allowing herself to be induced to copy the United States."

**The Liberal party of Canada** held a Convention at Ottawa, on June 20th and 21st, 1893, which was largely attended. Hon. Wilfred Laurier, leader of the Opposition—as it was then—was present, and upon his motion Sir Oliver Mowat, Premier of Ontario, was elected Chairman. Other leaders of the party in attendance were Sir R. J. Cartwright, Hon. L. H. Davies, Hon. F. Peters, Premier of Prince Edward Island; Hon. W. S. Fielding, Hon. A. G. Blair, Hon. C. A. P. Pelletier, Hon. F. Langelier, Hon. D. C. Fraser, Hon. H. G. Joly de Lotbinière, Hon. Clifford Sifton, Hon. F. G. Marchand, William Mulock, J. Israel Tarte, S. A. Fisher, John Charlton, William Paterson, Hon. R. W. Scott, Hon. Robert Watson, Hon. David Laird, Hon. David Mills, Hon. James Young, Hon. J. M. Gibson, Hon. A. G. Jones and Hon. L. G. Power. The following resolutions upon the tariff and the question of Reciprocity were unanimously carried:

"1. *The Tariff.* We, the Liberal party of Canada, in Convention assembled, declare:

That the Customs tariff of the Dominion should be based, not as it is now upon the protective principle, but upon the requirements of the public service.

That the existing tariff, founded upon an unsound principle and used, as it has been by the Government, as a corrupting agency wherewith to keep themselves in office, has developed monopolies, trusts and combinations.

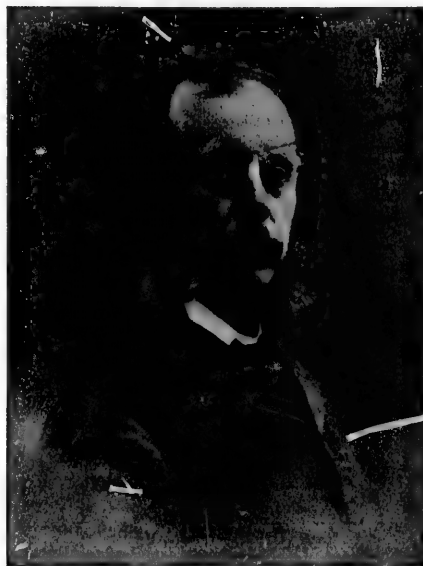
It has decreased the value of farm and other landed property.

It has oppressed the masses to the enrichment of a few.

It has checked immigration.

It has caused great loss of population.

It has impeded commerce.



Sir Louis H. Davies.

It has discriminated against Great Britain.

In these and in many other ways it has occasioned great public and private injury, all of which evils must continue to grow in intensity as long as the present tariff system remains in force.

That the highest interests of Canada demand a removal of this obstacle to our country's progress, by the adoption of a sound fiscal policy, which, while not doing injustice to any class, will promote domestic and foreign trade and hasten the return of prosperity to our people.

That to that end the tariff should be reduced to the needs of honest, economical and efficient government.

That it should be so adjusted as to make free, or to bear as lightly as possible upon the necessities of life, and should be so arranged as to promote freer trade with the whole world, more particularly with Great Britain and the United States.

We believe that the results of the protective system have grievously disappointed thousands of persons who honestly supported it, and that the country, in the light of experience, is now prepared to declare for a sound fiscal policy.

The issue between the two political parties on this question is now clearly defined.

The Government themselves admit the failure of their fiscal policy, and now profess their willingness to make some changes; but they say that such changes must be based only on the principle of protection.

We denounce the principle of protection as radically unsound, and unjust to the masses of the people, and we declare our conviction that any tariff changes based on that principle must fail to afford any substantial relief from the burdens under which the country labours.

This issue we unhesitatingly accept, and upon it we await with the fullest confidence the verdict of the electors of Canada."

"2. *Reciprocity*. That, having regard to the prosperity of Canada and the United States as adjoining countries with many mutual interests, it is desirable that there should be the most friendly relations and broad and liberal trade intercourse between them.

That the interests alike of the Dominion and of the Empire would be materially advanced by the establishing of such relations.

That the period of the old Reciprocity Treaty was one of marked prosperity to the British North American Colonies.

That the pretext under which the Government appealed to the country in 1891, respecting negotiations for a treaty with the United States, was misleading and dishonest and intended to deceive the electorate.

That no sincere effort has been made by them to obtain a treaty, but that, on the contrary, it is

manifest that the present Government, controlled as they are by monopolies and combines, are not desirous of securing such a treaty.

That the first step towards obtaining the end in view is to place a party in power who are sincerely desirous of promoting a treaty on terms honourable to both countries.

That a fair and liberal Reciprocity treaty would develop the great natural resources of Canada, would enormously increase the trade and commerce between the two countries, would tend to encourage friendly relations between the two peoples, would remove many causes which have in the past provoked irritation and trouble to the Governments of both countries, and would promote those kindly relations between the Empire and the Republic which afford the best guarantee for peace and prosperity.

That the Liberal party is prepared to enter into negotiations with a view to obtaining such a treaty, including a well-considered list of manufactured articles, and we are satisfied that any treaty so arranged will receive the assent of Her Majesty's Government, without whose approval no treaty can be made."

**The Hon. W. S. Fielding, Minister of Finance,** in his Budget speech of April 23rd, 1897, announced and summarized the trade policy of the new Liberal Government as follows:

"We present to this House a tariff which has the advantage of being simpler than the one that now exists, and I feel assured that it will to a considerable extent put an end to that friction that has so long existed between the merchants of the country and the Customs Houses.

We submit a tariff which largely abandons the specific duties that have been so unjust to the poorer classes.

We submit a tariff in which the large free list is not practically disturbed, but has large additions made to it.

We give to the country the great boon of free corn, which will have an important effect on the development of our farming interests, and particularly of the dairying interest, to which we must look in a very large degree for the prosperity of our farmers and the increase of our exports.

We give to the country a reduction of the duty on coal-oil, and the removal of the burdensome restrictions respecting the sale of coal-oil.

We give to the farmer his fence wire at a low rate of duty for the present year, and place it on the free list from the 1st of January next.

We give the medical and dental professions a free boon which the younger and less wealthy members of the profession will appreciate, when we put all surgical and dental instruments on the free list.

We recognize the great mining industry of the country by placing on the free list all machinery exclusively used in mining enterprises. We do not confine it to mining machinery not made in Canada, but we say it is more important to develop the mining interests of Canada than even to make a few machines in Canada, and so we put mining machinery exclusively used for the purpose of mining enterprises on the free list.

We give the people the benefit of reductions on breadstuffs, flour, wheat and cornmeal.

We give the manufacturers the benefit of cheaper iron; and much complaint has been made in the past of the burdens imposed upon them by the iron duty.

We revise the duties on rice in such a manner that they will not add a cent to the cost to the consumer and will add materially to the public revenue.

We give the people a reduction almost all along the line. We provide the necessary revenue, but meet the great needs of the country by increased taxes on articles of luxury, such as spirits, tobacco and cigars, and without any increased taxation upon the necessities of life. If the Hon. Gentlemen opposite have ever had the free breakfast table they talk about, we make it freer to-day by reducing the duty on sugar that goes on the breakfast table from \$1.14 per 100 lbs. to \$1, which is a material reduction. And last, but not least, we give to the people the benefits of preferential trade with the Mother Country."

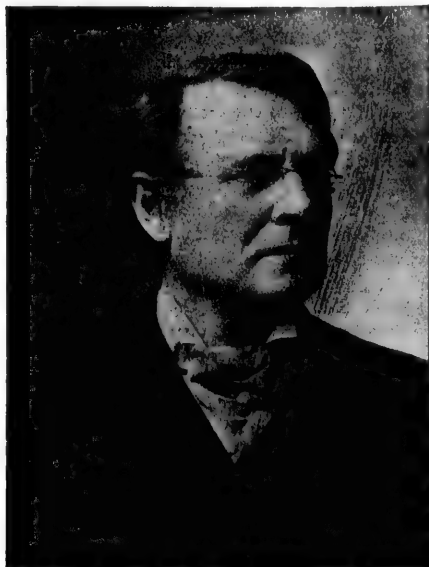
**The Hon. Edward Blake's views regarding the Tariff and Canadian fiscal questions generally, during the years in which he was leader of the Liberal party, exercised a wide influence in the country.**

They were officially announced upon certain occasions in such a way as to become an important part of the economic history of the Dominion. The first occasion was in his Address to the Electors of West Durham during the general elections of 1882. This appeal for popular support was dated May 22nd, and the reference to the tariff was as follows:

"You know well that I do not approve of needless restrictions on our liberty of exchanging what we want, and do not see that any substantial application of the restrictive principle has been or can be made in favour of the great interests of the mechanic, the labourer, the farmer, the lumberman, the shipbuilder or the fisherman. But you know, also, that I have fully recognized the fact that we are obliged to raise yearly a great sum, made greater by the obligations imposed on us by this Government; and that we must continue to provide this yearly sum mainly by import duties, laid to a great extent on goods similar to those which can be manufactured here; and that it results as a necessary incident of our settled fiscal system that there must be a large and, as I believe, in the view of moderate protectionists, an ample advantage to the home manufacturer.

Our adversaries wish to present to you an issue as between the present tariff and absolute free trade. That is not the true issue. Free trade is, as I have repeatedly explained, for us impossible; and the issue is whether the present tariff is perfect, or defective and unjust. I believe it to be in some important respects defective and unjust. We expressed our views last session in four motions, which declare that articles of such prime necessity as fuel and bread-stuffs should be free; and the sugar duties should be so adjusted as to relieve the consumer from some part of the enormous extra price he is now liable to pay to a few refiners; that the exorbitant and unequal duties on the lower grades of cotton and woollens should be so changed as to make them fairer to the masses, who now pay on the cheaper goods taxes about twice as great in proportion as those which the rich pay on the finest goods; and that the duties on such materials as iron, which is in universal use, should be reduced, so as to enable the home manufacturer, to whom it

is a raw material, to produce a cheaper article for the benefit of his home consumer and the encouragement of his foreign trade. I believe that by changes of the character I have indicated, monopoly and extravagant prices would be checked, a greater measure of fair play and justice to all classes would be secured, and the burden of taxation would be better adjusted to the capacity of the people who are to pay. Depend upon it a day will come when by sharp and bitter experience we shall learn the truth; and many who even now applaud will then condemn these particular incidents of the tariff."



The Hon. Edward Blake.

At Malvern, on January 22nd, 1887, Mr. Blake delivered a speech, upon which the general elections of that year largely turned. In it he quoted the above extract as still embodying his views and the policy of his party, and continued as follows:

"My reference there to the fiscal and financial limitations of our condition has increased force to-day, for since that time enormous sums have been added to the public debt; enormous sums

have been added to the annual charges; and, notwithstanding the great taxation, a larger deficit than we have ever known since Confederation has signalized the last financial year. Therefore the execution even of those measures of re-adjustment which I have suggested in that Address, and which we had proposed in Parliament in the preceding session, would be found much more difficult to-day by reason of the changed condition of affairs. We have no longer a large surplus to dispose of—we have a large deficit and a greatly increased scale of expenditure to meet. And it is clearer than ever that a very high scale of taxation must be retained, and that manufacturers have nothing to fear. I then declared that any re-adjustments should be effected with due regard to the legitimate interests of all concerned. In that phrase, 'all concerned,' I hope no one will object to my including, as I do, the general public. In any re-adjustment I maintain that we should look especially to such reductions of expenditure as may allow of a reduction of taxation, to the lightening of sectional taxes, to the lightening of taxes upon the prime necessities of life and upon the raw material of manufacture, to a more equitable arrangement of the taxes which now bear unfairly upon the poor as compared with the rich, to a taxation of luxuries just so high as will not thwart our object by greatly checking consumption, to the curbing of monopolies of production in cases where by combination or otherwise the tariff allows an undue and exorbitant profit to be exacted from consumers, and to the effort—a most important point—to promote reciprocal trade with our neighbours to the south. That is a modest programme, you may say, but I believe it to be an extensive programme, representing the full measure practicable of attainment, and which can be fulfilled only by much expenditure of time and thought, after full investigation, careful inquiry, and ample consideration of details and of the bearing of each proposal, with the advantage of all those materials for forming a judgment on details."

**The following Resolutions, though of a party nature, are of some historical importance as indicating the Conservative view of the National Policy in its fiscal application.** On the 13th of January, 1878, a Convention of the Conservatives of Ontario met in Toronto and, amongst other motions, this one was unanimously approved by the Delegates:

"(1) They are satisfied that the welfare of Canada requires the adoption of a national financial

policy, which, by a judicious re-adjustment of the tariff, will benefit and foster the agricultural, mining and manufacturing interests; (2) that no such re-adjustment will be satisfactory to the interests affected, or to the country, if adopted as a provisional means only to meet a temporary exigency or to supply a temporary deficit, nor unless it is made and carried out as a national policy; (3) that until a reciprocity of trade is carried out with our neighbours, Canada should move in the direction of a reciprocity of tariffs so far as her varied interests may demand; (4) that it is the duty of the people of Canada to force upon the attention of the Government and Parliament of the Dominion the necessity of carrying out their views, and to withhold or withdraw their confidence from any Government which may fail, from want of will or from want of ability, to enforce them by legislative enactment."

These Resolutions were important not only because they sustained the action of Sir John Macdonald and his supporters in Parliament during previous Sessions, but because the views expressed were the basis of the ensuing electoral victory. On the 17th of December, 1884, another Conservative Convention was held in Toronto to welcome Sir John Macdonald back from England—where the Queen had just created him a G.C.B.—and to affirm Conservative principles anew. The following resolution was unanimously carried:

"That this Convention, on behalf of the Conservative party of Ontario, endorses the National Policy, which the country declared for in 1878, and again in 1882, being convinced from the plain and manifest results that have followed the application of the tariff since 1879, that it is the policy best calculated to promote the welfare of a young community (more especially of one lying alongside a great protectionist nation like the United States), and to secure its interests against destruction from the slaughtering of foreign goods in seasons of temporary depression; and that we call upon Parliament to maintain this policy intact until such times as the Americans, who rejected our Reciprocity proposals in 1874, think fit to offer the free interchange of those natural products which by law the Government of Canada have now the power to admit free on reciprocal conditions."

**An important incident connected** with Canadian constitutional development in the direction of tariff-making power was the correspondence which passed in 1859 between Mr. Galt, Canadian Minister of Finance, and the Duke of New-

castle, Colonial Secretary. It commenced with the following despatch to the Governor-General, Sir E. W. Head, dated Downing Street, 13th August:

"SIR,—I have the honour to transmit to you the copy of a memorial which has been addressed to me by the Chamber of Commerce and Manufacturers at Sheffield, representing the injury anticipated to their commerce by the increased duties which have been imposed on imports by the late Canada Tariff. I request that you will place this representation in the hands of your Executive Council, and observe to that body that I cannot but feel that there is much force in the argument of the Sheffield manufacturers. Practically this heavy duty operates differentially in favour of the United States, in consequence of the facility for smuggling which so long a line of frontier affords, and the temptation to embark in it which a duty of twenty per cent. offers. Regarded as a fiscal expedient the measure is impolitic, for whilst any increase of contraband trade must be at the expense of the Exchequer, the diminution of foreign importations will probably more than neutralize the additional revenue derived from the higher duty. Whenever the authenticated Act of the Canadian Parliament on this subject arrives, I may probably feel that I can take no other course than signify to you the Queen's assent to it, notwithstanding the objections raised against the law in this country; but I consider it my duty no less to the Colony than to the Mother Country, to express my regret that the experience of England, which had fully proved the injurious effect of the protection system, and the advantage of low duties upon manufactures, both as regards trade and revenue, should be lost sight of, and that such an Act as the present should have been passed.

I much fear the effect of the law will be that the greater part of the new duty will be paid to the Canadian producer by the colonial consumer, whose interests, as it seems to me, have not been sufficiently considered on this occasion.

I have, etc.

(Signed) NEWCASTLE."

The document enclosed was dated August 1st, 1859, and was signed by the Mayor and Master Cutler of Sheffield and the President of its Cham-

ber of Commerce. The most important paragraph was the following :

"The merchants and manufacturers of Sheffield have no wish to obtain special exemption for themselves, and do not complain that they are called upon to pay the same duty as the American or the German, neither do they claim to have their goods admitted free of duty; all they ask is, that the policy of protection to native manufactures in Canada should be distinctly discountenanced by Her Majesty's Government as a system condemned by reason and experience, directly contrary to the policy solemnly adopted by the Mother Country, and calculated to breed disunion and distrust between Great Britain and her Colonies. It cannot be regarded as less than indecent and a reproach that, while for fifteen years, the Government, the greatest statesmen and the press of this country have been not only advocating, but practising the principles of free trade, the Government of one of her most important colonies should have been advocating monopoly and protection. Under the artificial stimulus of this system, extensive and numerous hardware manufactories have sprung up, both in Canada East and West, and the adoption of increasing duties has been the signal for more to be commenced. We are aware that the fiscal necessities of the Canadian Government are urged as the chief cause for passing the late Tariff Bill. This is not the whole truth; no one can read the papers of the Provinces, and the speeches of the members of both Houses, and be deceived for an instant; but, even if that were the cause, we conceive that Her Majesty's Government has a right to demand that what revenue is needed shall be raised in some other way than that which is opposed to the acknowledged commercial policy of the Imperial Government, and destructive of the interests of those manufacturing towns of Great Britain which trade with Canada."

This aggressive and dictatorial document, and the views so strongly expressed by the Duke of Newcastle, were dealt with by Mr. Galt in equally vigorous language in a Memorandum drawn up on behalf of the Executive Council, and dated October 25th, 1859. It is of considerable historic importance and the following paragraph is, perhaps, its most important section :

"From expressions used by His Grace in reference to the sanction of the Provincial Customs Act, it would appear that he had even entertained the suggestion of its disallowance; and though happily Her Majesty has not been so advised, yet the question having been thus raised, and the

consequences of such a step, if ever adopted, being of the most serious character, it becomes the duty of the Provincial Government distinctly to state what they consider to be the position and rights of the Canadian Legislature. Respect to the Imperial Government must always dictate the desire to satisfy them that the policy of this country is neither hastily nor unwisely formed, and that due regard is had to the interest of the Mother Country as well as of the Province. But the Government of Canada, acting for its Legislature and people, cannot, through those feelings of deference which they owe to the Imperial authorities, in any manner waive or diminish the right of the people of Canada to decide for themselves both as to the mode and extent to which taxation shall be imposed.

The Provincial Ministry are at all times ready to afford explanations in regard to the acts of the Legislature to which they are a party, but, subject to their duty and allegiance to Her Majesty, their responsibility in all general questions of policy must be to the Provincial Parliament, by whose confidence they administer the affairs of the country. And in the imposition of taxation it is so plainly necessary that the administration and the people should be in accord that the former cannot admit responsibility or require approval beyond that of the Local Legislature. Self-government would be utterly annihilated if the views of the Imperial Government were to be preferred to those of the people of Canada. It is therefore the duty of the present Government distinctly to affirm the right of the Canadian Legislature to adjust the taxation of the people in the way they deem best, even if it should unfortunately happen to meet the disapproval of the Imperial Ministry. Her Majesty cannot be advised to disallow such Acts, unless her advisers are prepared to assume the administration of the affairs of the colony irrespective of the views of its inhabitants. The Provincial Government believe that His Grace must share their own convictions on this important subject; but as serious evil would have resulted had His Grace taken a different course, it is wiser to prevent future complication by distinctly stating the position that must be maintained by every Canadian administration."



**The Hon. Sir Alexander Tilloch Galt** was born in Chelsea, London, in 1817, and was the son of John Galt, the well-known novelist and colonizer. At the age of sixteen he became a clerk in the British and American Land Company in the Canadas, and soon showed his ability by putting the affairs of that corporation in a flourishing condition. He was appointed its Chief Commissioner in 1844. In 1849 he entered public life as member of the Legislature for Sherbrooke, and was one of the signers of the famous Annexation Manifesto of that gloomy year. After an intermission, during which he had retired from the House, Mr. Galt was re-elected for Sherbrooke in 1853, and continued to represent that constituency in the Canadian Assembly, or the Dominion Parliament, until 1872. Until 1857 he was a Liberal; after that date he usually supported the Conservative party. The Governor-General, Sir Edmund Head, called upon him in 1857 to form an Administration, but he was unsuccessful. In 1858 he succeeded Mr. Cayley as Inspector-General or Finance Minister, and retained this office until the defeat of the Cartier-Macdonald Government in 1862. It was during these years that the question of Protection first became a prominent issue in Canadian politics through the gradual evolution of Mr. Galt's tariffs. His financial management was strong and efficient, his speeches lucid and logical, his manner self-possessed and good-natured. From 1864 to 1866 he was again Finance Minister and an advocate of Confederation. In this latter connection he was a member of the Conferences at Quebec and Charlottetown, a delegate to England, and a warm supporter of the rights of the Protestant minority in Lower Canada in the school questions of the day. He had been sent to Washington in 1865 to negotiate in conjunction with the British Ambassador a new Reciprocity Treaty, but under the current conditions he, of course, failed. After Confederation he became Finance Minister of the Dominion for a few months in 1867; but soon resigned, and was succeeded by Sir John Rose. He was never a strong partisan, and was more than once found in opposition to Sir John Macdonald and his own party. He declined re-election to Parliament in 1872, and at the same time refused the Finance Ministership which was

again offered him. During the previous year he had acted as a Canadian Commissioner in the Halifax Arbitration on the Fishery question. In 1880 he was appointed the first Canadian High Commissioner in England—a post which he resigned in 1883. During the later years of his life, though in 1849 an annexationist and afterwards a believer in independence, he became imbued with the new spirit of the times and a strong advocate of closer Imperial unity. He died in 1893, leaving a reputation for varied ability, marked gifts of persuasive eloquence, much executive power and a most pleasant personality. In 1867 he had declined a C.B., but two years afterwards was made a K.C.M.G., and in 1878 was promoted to the Grand Cross of the same Order. He was an Hon. LL.D. of Edinburgh University. The consolidation of the public debt, the encouragement of trade, the development of a strong fiscal policy, the abolition of canal tolls, and the issuing of Government notes as currency, were the chief events of his financial administration.

**The Hon. Sir Samuel Leonard Tilley** was born at Gagetown, N.B., on May 8th, 1818, and was educated at the County Grammar School. In 1849 he entered politics in support of a Protectionist candidate for the House of Assembly, and soon after took an active part in organizing a body called the New Brunswick Railway League. At this time, and until Confederation, he was a Liberal in politics. After a short period in the Legislature during 1850-1, he retired temporarily from public life, but in 1854 was returned to the Legislature and appointed a member of the new Provincial Government. In June, 1856, he was beaten at the polls upon his Prohibitory Liquor Law measure, but after a renewed struggle was finally victorious and in the succeeding year became Premier and Provincial Secretary—a post which he held till 1865. He was a delegate at the Charlottetown, Quebec, and London Confederation Conferences and an active advocate of the Union. At Confederation, in 1867, he was made a C.B., sworn of the Dominion Privy Council, and appointed Minister of Customs in its first Cabinet. For a short time in 1873, and until the Government's defeat, he was Minister of Finance. From

the close of 1873 until 1878 he was Lieut.-Governor of New Brunswick, and in the latter year resigned to take part in the general elections and to help Sir John Macdonald in his struggle for Protection. In the new Dominion Government he naturally became Finance Minister again and the father of the new National Policy tariff. In 1879 he was created a K.C.M.G., and six years later, on being compelled to retire from the Government by ill-health, was again appointed Lieut.-Governor of New Brunswick. This post he held until 1893. A descendant of the U. E. Loyalists, Sir Leonard Tilley was noted for the strength of his British views, and was for some years President of the Imperial Federation League in Canada. He was an active promoter of the Intercolonial Railway, a consistent and prominent Prohibitionist, a Protectionist in principle and practice, an eloquent speaker of the quiet, convincing and fluent type, a man of the most honourable character and lovable disposition.

**In connection with certain British protests** against Canadian protectionist tendencies, and American claims that the Canadian tariff was hostile, the following explanation and expression of views by the Hon. A. T. Galt, then Minister of Finance, and dated October 25th, 1859, are important. They were included in the document already quoted from as follows:

"There is no more important question that can engage the attention of any country than its commercial policy. There are some who would do away with customs duties altogether and have resort to direct taxation. Others again are in favour of a tariff which shall afford protection to native industry, and avoid the necessity of importing goods from abroad. I think it is impossible for Canada to adopt altogether either of these measures as a final policy. I think we must have reference to what are the great interests of the country in reference to taxation. The first of them undoubtedly is agriculture. There is also a large portion of the people engaged in the manufacture of timber, and the commercial interest is by no means small. There is also a manufacturing interest growing up, but it has not yet attained the magnitude of the others of which I have spoken. I do not believe that the adop-

tion of a protective policy is possible in Canada, on account of the extensive frontier that she has to protect. It is plain that if we raise the duties beyond a certain point we offer a reward to unscrupulous persons to engage in contraband trade; and again, if in raising the duties on those articles too high we prevent their introduction, we must necessarily have recourse to direct taxation.

I do not think it possible or desirable that taxation should be raised to the rate adverted to. The duties imposed are moderate; and since they have been raised from 12½ per cent. to 15, various manufactories have been created, have thriven, and are still thriving, and I am not aware that during the recent extraordinary monetary crisis they have suffered to any extent. It is right, in raising a revenue, to have respect to the possibility of finding employment for a portion of the population; but, on the other hand, it is not proper to create a hot-bed to force manufactures. The revenue we have to raise permitted the putting on of duties which would give some encouragement to parties to embark in manufactures. When a person did so under a system of moderate duties, he had reasonable ground of assurance that the system would not be altered to his disadvantage; but if the duties were high the system would be regarded as one of class legislation, and as not likely to be permanent. The true object to be accomplished was to make provision for the public wants, and so to distribute the burdens as to make them press as equally as possible upon all, or to afford equal encouragement to all interests."

It will be seen from this that the late Sir Alexander Galt was not in early days a pronounced protectionist in theory, though in practice his tariffs most certainly were, and he may very properly be considered one of the pioneers of that policy in Canada.

**On October 13th, 1854, a Committee of the Canadian Assembly** composed of the Hon. William Hamilton Merritt, Hon. Francis Hincks, Hon. John Young, Hon. George E. Cartier, and Messrs. Mattice, Stevenson, Ferris and James Ross, was appointed to enquire into the commercial intercourse of Canada with other coun-

tries. Messrs. Young, Mattice and Cartier retired from the Committee in May, 1855, and the Hon. L. H. Holton and Messrs. Chauveau, Patrick and Christie were added. The Report was submitted on May 26th in the year last named, and signed by Mr. Hamilton Merritt as Chairman. The first sections dealt with the intercourse between Canada and Great Britain as follows:

"This trade has been subject to sudden and frequent changes for many years past, as fully pointed out in the able Report of Mr. Andrews in 1853. Under the Canadian tariff of 2½ per cent. and discriminating duties, it increased in a ratio of three to one over that from the United States. Since the change in the Colonial commercial policy of the Imperial Government it has decreased in the same proportion as compared with that of the United States. However, it continued to increase in imports from £1,669,003 in 1849 to £5,740,832 in 1854; and in exports from £1,348,424 in 1849 to £2,719,179 in 1854, although almost wholly confined to timber. Of the total exports of £2,246,164 in 1853 only £524,047 were the products of the mine, the sea, and of agriculture. Although various reasons have been assigned for the comparative diminution of this trade, still no effectual remedy has been adopted to check it. The St. Lawrence canals were constructed at a large public expenditure for the purpose of drawing the trade of the Western States to the ports of Montreal and Quebec. They have not only failed in attaining that object, but even the trade of Western Canada itself, on and above Lake Ontario, has been diverted to the ports of New York and Boston. Prior to 1847, public opinion was directed to the repeal of the Navigation Laws; but even when that took place, and competition by sea was offered to the vessels of all nations, no visible benefit accrued to the St. Lawrence canals. Great expectations are still held out that the competition by American vessels under the Reciprocal Treaty will produce a change; but so long as the trade is confined to its present narrow limits, the north side of the St. Lawrence, and so long as public bounties continue to favour the port of New York, and the natural facilities which the St. Lawrence possesses continue to be neglected, so long will our efforts to regain this trade be un-

availing. But your Committee is convinced that so soon as the natural advantages of the St. Lawrence route to the ocean are well understood the area of its commerce will be extended."

The British West Indies and their trade were then of much importance to the Canadas, and the situation in that connection was dealt with as follows:

"In 1854 the value of West India productions imported amounted to £333,970, of which only £621 came direct from the British possessions, £54,481 from foreign islands, and £59,607 through Nova Scotia, Newfoundland and Prince Edward's Island, in all, via the St. Lawrence £114,709, leaving £219,261 to reach Canada through the United States. It will thus be seen that the direct trade between Canada and the British West Indies, by the way of the St. Lawrence, which a few years ago was in a flourishing condition, has almost disappeared. Circulars were addressed to the different Colonial Secretaries with a view of ascertaining whether in their opinion, this trade could, by a removal of all duties, be revived, and the replies received are favourable."

The following extended reference was then made to the commercial intercourse between Canada and the United States:

"In 1846 the Imperial Government changed her Colonial commercial policy, and the markets of Great Britain were thrown open to the products of the United States without stipulating that they should receive the products of the British Provinces on the same terms. This change established two prices for agricultural productions on the frontier, the grower in Canada, according to the course of trade, receiving 20 per cent. of the amount of the duty less than the grower in the United States. Notwithstanding this difference in the value of the natural productions of the two countries (which are now admitted free under the Reciprocal Acts of 1854) imports into the United States from Canada increased from \$642,672 in 1848 to \$6,097,204 in 1854; duties from \$118,330 to \$1,243,403; and the imports into Canada from the United States from \$984,604 in 1848 to \$2,180,084 in 1854; duties from \$63,640 to \$196,671, showing an increase in the former, during a period of six years, of

over ten to one, and in the latter, for the same period, of two to one, and upwards.

We also find a striking increase in foreign importations through the United States. The imports for Canada direct, passing through under bond in 1854, were £1,336,770; the amount purchased by Canada in bond in the United States, under their warehousing system, £299,428; the value of goods purchased in the United States, on which a duty was paid there and a second duty here, £144,021; the value of goods not subject to duty in the United States, £230,606. These figures give the value of our importations from beyond sea through the United States at £2,010,825, to which add importations of their domestic manufactures, £2,835,525, and it would appear that the total imports from the United States into Canada had increased to £4,846,350, and the exports to £2,604,320, or a grand total of £7,450,670; while the imports into the United States through Canada from sea amounted only to £261,991."

Summarizing these and other considerations, the Committee then reported itself in favour of the following line of action:

"1st. The removal of all duties on the productions of the British possessions in America, imported by the St. Lawrence, on precisely the

same principles as between the different States of the Union.

2nd. That the principle of reciprocity with the United States be extended to the productions of manufactures, to the registration of Canadian and United States built vessels, and to the shipping and coasting trade, in the same manner as to the productions of agriculture.

3rd. That an Address be presented to Her Majesty praying that the bounty on steamers between Liverpool and Boston may not be renewed after the expiration of existing contracts, or that an equivalent bounty be given to the St. Lawrence for six months of the year.

4th. The removal of all duties on cheap, heavy, and bulky articles by the St. Lawrence.

5th. The deepening of the channel between Lake St. Francis and St. Louis immediately, and the extension of liberal aid towards the building of tidal docks at Quebec.

6th. The construction of the St. Lawrence and Champlain Canal, with locks of the same dimensions as Sault Ste. Marie, as soon as possible.

7th. The extension of a credit to the importer, so as to admit of a reduction in the number of inland ports of entry and in consequent expense to the public.

## INTER-PROVINCIAL TRADE IN CANADA

BY

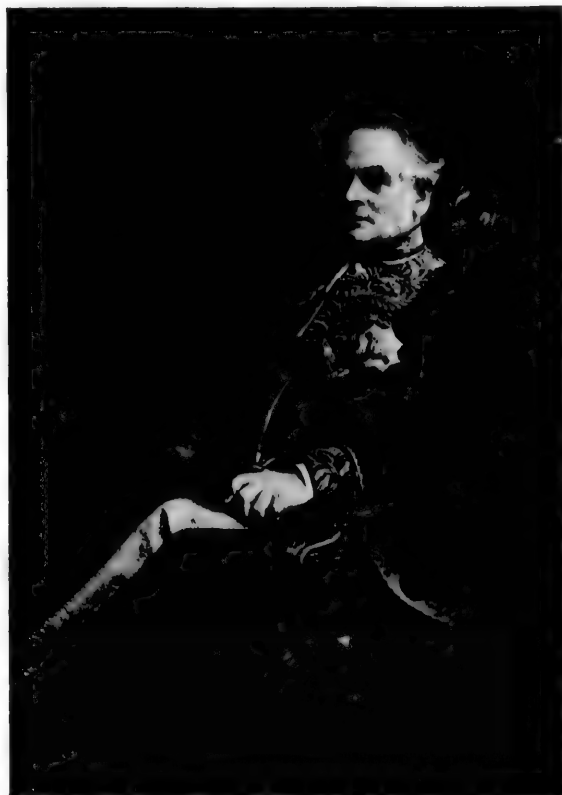
A. H. U. COLQUHOUN, B.A.

FOR two reasons the development of trade between the various provinces which make up the Dominion of Canada has been slow and difficult: (1) their geographical situation served rather to keep them asunder than to unite them, and (2) their settlement having proceeded from several sources instead of a common centre, one community had no distinct connection with the other. The Pacific Coast settlements were cut off from the east by the impenetrable barriers of great mountain ranges; the fertile prairies of the west were locked in the firm clasp of a great trading Company; Upper Canada was peopled by the refugee loyalists from the south; Lower Canada naturally expanded its trade with Europe first, while the Maritime Provinces in the same way extended commerce along the line of least resistance, namely, the sea routes. When one considers, therefore, that these disintegrating factors had full play from the earliest history of British North America, the marvel is, that what we call Inter-Provincial trade has in the past thirty years been able to expand to the respectable proportions which the imperfect records now show to exist.

Strictly speaking, then, Inter-Provincial trade is a creation of our own day. It grew up under political union, and was one of the chief tasks of the Government of united Canada, since vast sums, not at the disposal of half a dozen weak provinces, had to be expended before the obstacles created by nature could be overcome. The hostility of the United States toward the British communities on this continent early suggested a union among themselves, and even before the war of 1812 the project had been raised in the Nova Scotia Legislature by Mr. Uniacke. From that time onward plans for union were continually being proposed—the idea of developing trade being an integral part

of each scheme. When one of these projects was under discussion in 1824, James Stuart, who had been Solicitor-General for Lower Canada, and was sent to England by the inhabitants of the Montreal district to promote the union of the Canadas, reported upon the larger idea of a union of all the Provinces. "There is," he said, "absolutely no intercourse whatever between the Canadas and New Brunswick. An immense wilderness separates the inhabited parts of both, and they have no interchangeable commodities admitting of any trade between them by sea. Nova Scotia is remote, is only accessible from the Canadas by land through New Brunswick, and keeps up a small trade with Lower Canada by the Gulf of St. Lawrence in productions of the West Indies. Between Lower Canada and Prince Edward Island there is hardly any communication whatever."

The traders of Lower Canada, however, always enterprising, determined to develop a commerce with the maritime ports. The Legislature of Lower Canada voted a yearly subsidy of \$7,500 for a service between Quebec and Halifax. The Nova Scotia Legislature voted a subsidy of \$3,750 yearly, and the steamer *Royal William* was built. For two seasons the vessel plied between these ports, but the business did not expand sufficiently to warrant the owners continuing the service, and it was abandoned. Meanwhile, the efforts to facilitate commerce between Upper and Lower Canada by utilizing the St. Lawrence route went steadily on. As early as 1815, the sum of £25,000 was voted to begin the construction of the Lachine Canal, although it was six years later before the work was actually begun. The other canals followed as a natural sequence, their usefulness for purposes of military routes being quite as obvious as their importance in developing trade with the lakes.



THE HON. SIR SAMUEL LEONARD TILLEY.





That private enterprise was at the root of all this canal construction is a significant evidence of the interest taken by the commercial classes in the opening up of the water route to the Atlantic ocean. After the union of Lower Canada with Upper Canada in 1841, the deepening and enlargement of these canals was encouraged, for railway building was then in its infancy, and the development of carriage by water was still considered the most practical method of commercial interchange. It was hoped that the whole American and Canadian lake trade, estimated in 1841 to be of the yearly value of \$65,000,000, would seek its natural outlet to the sea by the River and Gulf of St. Lawrence; but early in the Forties an entirely new situation came into existence, a situation which the British Provinces had no hand in creating, and which produced a far-reaching effect upon the then bright prospects of developing the St. Lawrence route so as to make it not merely the highway for conveying the products of the west to the markets of Europe, but to establish a trade with the Maritime Provinces by means of vessels that could secure return cargoes.

The abolition by Britain, in 1846, of the Corn Laws and the preferential duties upon colonial produce, entirely changed those conditions on a continuance of which the inhabitants of the British Provinces had been counting when they formed plans for the extension of their sea-borne and fresh-water tonnage. Deprived of their preferential markets in Great Britain, the commercial interests of Canada began to seek an extension of trade upon this continent. This agitation and its results do not lie within the purview of the present article. The only consequence of the new Reciprocity movement which directly affects the question of Inter-Provincial trade is the effect of the Elgin Treaty of 1854-1866 upon the commercial interchanges of the Provinces. This effect was not advantageous. It delayed for some years the political union which was at length consummated in 1867, and, in addition, it turned the currents of trade into channels which, from the nature of things, could not be permanent, and which, later on, proved fresh obstacles in the path of British commercial union on this continent. The Elgin Treaty established free trade in fish, lumber and farm products between the United

States and all the British Provinces. During the continuance of the Treaty exceptional conditions caused a large increase in the demand for our products by the United States—at first the war in Europe, and latterly the civil war between the North and South. The Maritime Provinces cultivated the New England markets, and Upper Canada began to trade largely with the States to the south of her. Thus a trade north and south grew at the expense of one east and west. Very little effort was made during these years to develop Inter-Provincial trade. The Provinces had tariffs against one another, and the tendency therefore was to expand commerce with the Republic. The Canadian statistics indicate clearly that the Reciprocity Treaty rather diminished than maintained the trade of the Canadas with the three Maritime Provinces. The results of the period in this respect may be conveniently summarized as follows:

CANADIAN TRADE WITH THE MARITIME  
PROVINCES.

	Imports.	Exports.	Total.
1853	\$ 480,952	\$ 812,136	\$ 1,293,088
1855	865,984	1,023,444	1,889,428
1856	1,032,592	1,086,040	2,118,632
1857	751,888	875,236	1,627,124
1863	510,713	935,196	1,445,909
1864	523,295	362,106	885,401
1865	511,570	1,065,057	1,566,627
1866	857,922	1,571,116	2,429,038

Imperfect as these returns may be they give a general idea of the direct trade then in existence between the eastern and the western Provinces. It seems that in 1853, before the Reciprocity Treaty came into existence, the direct commercial dealings of Canada with her British neighbours amounted annually to about one million and a quarter dollars. In 1855 the Treaty found this trade close upon two millions. After ten years, instead of an expansion there was an actual decrease, especially in Canadian imports from the Provinces by the sea. During all this time there were shipments via United States ports, but the exact volume cannot be accurately stated. Nor is it advisable to lay stress on a commerce which was due to imperfect direct communication, and which the aim of Canada has been to divert rather than to encourage.

It would appear that when the Maritime Provinces united with Canada in 1867 their combined trade was from two to four millions. Mr. George Johnson places it at four millions. The Confederation started, therefore, with a very slender foundation as regards Inter-Provincial trade. To develop this was one of the principal aims of the founders of the Dominion. Their public speeches foreshadowed their intentions, which were soon embodied in public policy. The building of the Intercolonial Railway, connecting the provinces on the St. Lawrence with Nova Scotia and New Brunswick; the construction of the Canadian Pacific Railway from ocean to ocean; the deepening of the canals; are the main features of this policy. By purchasing the North-West Territories from the Hudson's Bay Company, and by adding the Provinces of British Columbia and Prince Edward Island to the Union formed in 1867, the area of internal trade has been greatly widened, and the facilities for carrying it on have to an equal degree been provided. It is, therefore, not a wild venture to think that the expectations of the Fathers of Confederation are in a large measure fulfilled. The difficulty is to prove this belief in actual figures. When a British Province in North America remained outside the Canadian Confederation—as Newfoundland still does—its commercial dealings with Canada were expressed in the official figures of the Trade and Navigation returns. These might be to some extent inaccurate, but they would form a basis on which to make calculations of the extent of the import and export trade done. When the Province joined the Union and came under a uniform tariff, its commercial transactions disappeared from the official returns. All this is, of course, perfectly intelligible to the average reader. It is apt to be forgotten, however, in political discussion, hence the desirability of illustrating clearly the misapprehensions that have for years clung about the undoubted expansion of Inter-Provincial trade.

The Colony of Newfoundland remains separate from the Dominion, and the sales to, and purchases from, the Island by Canada are recorded in our official returns. In 1896 the Canadian exports to Newfoundland were valued at \$1,782,309, and the imports therefrom amounted in value

to \$551,412, a total trade of \$2,333,721. If Newfoundland had entered the Dominion at the beginning of the fiscal year 1896 our total foreign trade would have figured \$2,333,721 less than it actually did. Yet the Inter-Provincial trade would have been greater by that amount, and probably by a larger amount. The establishment of free trade between Canada and the Island Colony would have diverted at least some of the trade now done with the United States in manufactured goods and food products to Canada. But existing official returns would have taken no account



A. H. U. Colquhoun.

of this. It should, therefore, be understood that those who desire to compute with some degree of accuracy the volume of internal trade have no political theory to promote. Their aim is simply to arrive at a general knowledge of facts that are of importance in estimating the growth of national commerce.

Fifteen years after Confederation the general desire to know how far Inter-Provincial trade had expanded, resulted in the appointment of a Select Committee of the House of Commons, with

Mr. Henry Paint, member for the County of Richmond, Nova Scotia, as chairman. The evidence of persons conversant with the trade between the several Provinces was taken. A summary of this testimony showed that the purchases of the Maritime Provinces from Quebec and Ontario had increased from \$1,200,000 in 1866, to \$22,000,000 in 1882. The trade in fish—chiefly herring and codfish—from Nova Scotia westward had “developed to very large proportions,” and “as far west as Montreal a very considerable trade is already done in fish and oils, and in West India goods and coal.” Complaints were made of the inefficiency of the railway communication, especially in winter, the lines being unable to handle quickly the quantity of freight offered for shipment. The Committee suggested the subsidizing of a line of propellers for summer traffic, connecting the ports on Lake Ontario with the terminus of the Intercolonial Railway at Point Levis; the deepening of the St. Lawrence Canals to a uniform depth with the Welland Canal was also suggested. The subsidy mentioned was \$10,000 for the season for each boat put on the route. The greatest stress was laid upon canal enlargement, the Committee endorsing the view of one of the witnesses that “the most direct means of increasing the trade with the Lower Provinces would be the enlargement of the St. Lawrence Canals at the earliest possible period to a uniform size with the Welland Canal, in size of lock and depth of water, so that large vessels could pass through them. Vessels carrying large cargoes would have a tendency to cheapen the rate of freight. They could go to the Lower Provinces, discharge their cargoes and take in return cargoes of coal, and carry it up at a low rate of freight, say \$1.00 to \$1.25 per ton. They could also take fish and what other goods they could get. In this way coal could be probably laid down in Western Ontario at a less cost than the American coal, and it would consequently go largely into consumption throughout Ontario.” With deep canals, it was believed that a million tons of coal could annually be sent into Ontario from Nova Scotia. Except the general inquiry here outlined, nothing further came of the effort of Parliament to obtain a definite idea of the volume of Inter-Province exchanges.

The lack of strictly exact information on this

question has dogged the footsteps of every inquirer who desired to investigate it. That the volume of trade between the Provinces has vastly increased is a fact which is brought home to every person engaged in one line of business or another. Canadian manufactured goods are conveyed in large quantities from Ontario and Quebec factories to the Maritime Provinces and to the Provinces west of Lake Superior. Iron and steel manufactures from Nova Scotia are sold in the inland Provinces. The cotton and other goods of New Brunswick are sold in the markets of Ontario. The fish of the Atlantic and Pacific Provinces are brought inland, east and west. The sales of Nova Scotia coal brought by vessels to the port of Montreal are yearly expanding into a large trade.

If one is content with a general statement of the growth of internal commerce, the available statistics afford ample proof from a variety of sources. There is, for example, the evidence furnished by the tonnage engaged in the coasting trade. The statistics relating to this were first officially recorded in 1876. In that year the tonnage of the shipping in and out from one Canadian port to another amounted to 10,300,939. In five years, namely in 1881, this had increased to 15,116,766. The returns for the past ten years, that is, from 1887 to 1896, are as follows:

#### GROWTH OF THE COASTING TRADE.

Tonnage.			
1887.....	17,513,677	1892.....	25,109,929
1888.....	18,789,279	1893.....	24,579,123
1899.....	19,834,577	1894.....	26,560,968
1890.....	22,797,115	1895.....	25,473,434
1891.....	24,986,130	1896.....	27,431,753

Much of this commerce is of an Inter-Province character, especially in the case of vessels which ply between ports in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island. The expansion has taken place during the same period which has witnessed a considerable addition to the miles of railway in operation, a competition that has everywhere captured some of the water-borne freights. The increase in the freight carried by Canadian railways also bears a relation to Inter-Province Trade, seeing that the purchases of the extreme western Provinces from the east are almost entirely delivered by rail.

While a large proportion of the increase may be due to United States freights carried over the Grand Trunk and Canadian Pacific Railways, there remains a sufficient margin indicative of internal trade to make the following table for the past ten years worthy of note in passing:

FREIGHT CARRIED BY THE CANADIAN  
RAILWAYS.

Year.	Tons.	Miles in Operation.
1887	16,356,335	11,691
1888	17,173,759	12,163
1889	17,928,626	12,628
1890	20,787,469	13,256
1891	21,753,021	14,009
1892	22,189,923	14,588
1893	22,003,599	15,020
1894	20,721,116	15,627
1895	21,524,421	15,977
1896	24,266,825	16,270

A large degree of attention has always been bestowed upon the dealings of Ontario and Quebec with the Maritime Provinces and *vice versa*. As has been said, the expansion of this commerce was one of the principal aims of the founders of Confederation, and its development would be one proof that their calculations were not wholly astray. In their speeches in the various places visited by Maritime delegates in Canada, and by Canadian delegates in the other Provinces, this was clearly brought out. There are several indications of the present volume of this trade. The shipments by vessel from Montreal to the lower ports, and the sales of coal by Nova Scotia to the west are partial evidences. The traffic returns of the Intercolonial Railway are also, in a measure, proofs of a growing trade. The shipments eastward from Montreal by vessel are, it is true, imperfectly recorded. The statistics collected by the Montreal Board of Trade relate only to food produce, and ignore manufactures and other general merchandise altogether. The record, furthermore, only covers a period of ten years. Yet, incomplete as these figures are, it is unwise to ignore them in grasping at some of the details which may be accepted in attempting to summarize roughly the trade as a whole. The results of ten years' business, in this respect, were:—

SHIPMENTS FROM MONTREAL TO MARITIME  
PROVINCE PORTS.

	Bread- stuffs, etc.* Bush.	Flour. Barrels.	Butter. Pigs.	Cheese. Boxes.	Pork. Barrels.	Canned Meats. Pigs.	Hams & Bacon. Boxes.
1887	20,793	192,105	12,862	2,792	9,575	639	888
1888	36,227	202,288	12,259	2,783	6,969	1,219	1,030
1889	27,010	196,090	9,813	1,595	10,763	1,197	1,583
1890	32,819	229,152	9,544	2,207	15,619	2,944	596
1891	29,898	206,118	11,876	1,753	8,050	1,327	87
1892	21,570	261,806	7,589	2,521	7,594	3,406	52
1893	91,928	322,570	7,121	6,738	2,526	2,356	111
1894	22,502	249,708	6,721	1,984	7,871	2,541	138
1895	15,469	299,238	6,453	1,248	15,478	1,898	191
1896	31,856	336,348	6,876	1,235	23,791	4,315	144

\* Including wheat, corn, peas, oats and barley.

It will be seen, at a glance, that the shipments of flour, of pork, and canned meats all show expansion. The trade fluctuates year by year; but this is a feature of all trade, which is dependent on supply and demand, on the state of the markets, on the rates of freight, on foreign competition, and other factors which cannot always be accounted for, and often cannot be even traced with statistical exactness. The freights carried by the Intercolonial are not wholly conclusive, since allowance must be made for business of a purely Provincial character, and some which relates to shipments eastward intended for export via St. John or Halifax. The returns of freight over the Intercolonial, however, bearing these things in mind, must always be incorporated in any article professing, even imperfectly, to examine the available sources of information regarding Inter-Provincial trade. The official record for twenty years is:

TONS OF FREIGHT CARRIED BY THE  
INTERCOLONIAL.

1877 .....	421,327	1887 .....	1,131,334
1878 .....	522,710	1888 .....	1,275,905
1879 .....	510,861	1889 .....	1,204,790
1880 .....	561,924	1890 .....	1,353,417
1881 .....	725,677	1891 .....	1,304,534
1882 .....	838,956	1892 .....	1,264,575
1883 .....	970,961	1893 .....	1,388,080
1884 .....	1,001,163	1894 .....	1,342,710
1885 .....	970,069	1895 .....	1,267,816
1886 .....	1,008,545	1896 .....	1,379,618

In a general way the details of the freights carried over the railway throw some light upon the trade they represent. Of coal the Interco-

lonial carried in 1896 432,513 tons; most of it being delivered locally or in New Brunswick, not much over 60,000 tons being shipped to the west. The shipment of grain from Halifax for export business was in 1892 as much as 1,250,000 bushels, but for the past two years the rates have been unfavourable, and no grain has been sent that way. The extension of the line to Montreal may make a change in this respect. The grain shipped over the line for home consumption was in 1896 1,064,385 bushels. Refined sugar made in Nova Scotia is sold to the west, and of the 40,181 tons carried by the Intercolonial in 1896 over 25,000 tons found a market outside the Province. The shipments of fish, fresh and salt, likewise represent Inter-Provincial trade, and of the 12,000 tons carried over the line in that year probably 8,000 tons were consumed in other Provinces. An analysis of the Intercolonial returns points to the conclusion that greater facilities, especially in the matter of through rates, will expand the Inter-Provincial trade which has, even under present conditions, probably doubled, while the whole freight traffic of the road has in twenty years trebled.

Encouraging, however, as all these evidences of an expanding home commerce may be, the question ever and anon arises: Is it not possible to set down in actual figures the volume of Inter-Provincial trade? The answer must be that no statistician will pledge himself to anything more exact than an approximate result. The avenues of trading about which we have no information whatsoever are so numerous that it would be misleading to claim anything more trustworthy than a general knowledge. The safest estimate which can be made is one that leaves out altogether the trade exchanges of which no official record is kept, and to base an estimate on data that are, to a degree, reliable. This was the plan pursued by Mr. George Johnson, the Canadian Statistician, who, in 1889, drew up a paper on the subject. The main lines on which this estimate rests were the omission of the trade between Ontario and Quebec, on the one hand, and that between three Provinces on the Atlantic coast, owing to the absence of any satisfactory records. The trade westward from the Maritime Provinces was placed at \$26,000,000, and the trade eastward

from Ontario and Quebec at \$29,500,000; the trade east and west, chiefly between Ontario, Quebec, and the whole of Canada west of Lake Superior was placed at \$24,500,000. This yielded a total of \$80,000,000 for 1889, or \$4.25 per ion of the shipping engaged in the coasting trade. The whole estimate seems moderate, when the wide areas entirely left out of the calculation are borne in mind. Owing to the fluctuations in values, the volume of Inter-Provincial trade has since been calculated on the basis of this relation between the coasting trade and the estimate drawn up in 1889. Following this method, the total Inter-Provincial trade would be for the past six years:

1891.....	\$106,191,052	1894.....	\$112,884,114
1892.....	106,717,198	1895.....	108,262,090
1893.....	104,461,273	1896.....	116,584,950

It would appear, therefore, that a commerce which has no place in the official statistics of the country, but which is one of the most potent factors in the daily life of the people, may reasonably be said to exceed in value the sum of a hundred millions of dollars a year. A point of some importance in connection with the general question of early Inter-Provincial trade is the fact that the tariff of the Province of Canada discriminated in favour of certain products from the other British Provinces in North America. By Acts passed in 1849, 1850 and 1851—several years before the Elgin Treaty with the United States—the Canadian Parliament decreed that certain articles or products, when imported direct from Great Britain or the Maritime Provinces, should be duty free. These were animals, biscuits and bread, butter, coal, cocoa and chocolate, fish, fish oil, flour, furs and skins, grains, grindstones, meats, seeds, trees and shrubs, vegetables and wood. Under this preferential arrangement the trade done in these particular articles increased in the following proportion: 1851, £41,915; 1852, £46,617; 1853, £97,647; 1854, £87,200; 1855, £54,244; 1856, £121,692; 1857, £93,728. Under this arrangement about £10,000 was annually given up in revenue from Customs. When the Elgin Treaty went into force in October, 1854, the privilege of free entry in many of these articles was extended

to the United States. The free list, in 1857, specially mentions lime, fruits of all kinds, dye stuffs, and artificial slate and metallic paints "from the B.N.A. Provinces" as being free. In

1854, more than half the value of goods imported by Canada from the Maritime Provinces came in free of duty, and the duties paid were chiefly on West Indian products, such as sugar and molasses.

**Mr. W. Hamilton Merritt's Committee** of the Canadian Assembly, which reported on May 26th, 1855—Sessional Papers, Appendix to Volume XVII.—dealt with the commercial intercourse between Canada and the other British North American Colonies as follows:

"The value of the trade with these Possessions amounted in 1851 to £373,007; in 1854 to £554,001, of which £149,082 were imports, and the duties thereon £26,691. Sugar and molasses alone yielded £24,072, while all other articles paid only £2,619. An effort was made in 1853 by a Committee of your Honourable House to open a communication with these Colonies, with a view of furnishing the Legislature with annual statements of the resources and returns of the trade and of the Customs duties collected by each. A tabular statement was prepared, from which it appeared that the population in 1851, including Canada, numbered 2,297,219; the revenue from Customs amounted to £976,938, being an average per head for Canada of 8s. 2½d.; New Brunswick, 10s. 11½d.; Nova Scotia, 6s. 7½d.; Prince Edward's Island, 5s. 8½d., and Newfoundland, 14s. 7½d.

Whether, from the geographical position of the British Possessions in America, a free intercourse would increase their direct trade, can only be ascertained by giving it a fair trial. From the favourable position the northern Provinces occupy between the Mediterranean, the West Indies and the Western States, your Committee are of opinion that the agricultural productions of the West would be exchanged at our ports for the productions of the East, in addition to their lumber and fish furnishing return cargoes and opening a direct and apparently profitable trade. Their shipping interest would possess the advantage of employment in the inland navigation during summer, and on the ocean during winter. Your Committee would, under all the circumstances, recommend, therefore, a free commercial inter-

course between Canada and the neighbouring Provinces of North America."

An interesting reference was also made to the question of protectionist duties, which throws a side-light upon the rapid development of senti-



Hon. W. Hamilton Merritt.

ment during the next three years. It was as follows:

"Your Committee can see no good reason why the same Legislative encouragement to manufacturers in Canada should not produce the same results as it has done in the United States. This subject, however, does not seem to have attracted much public attention in Canada, as only one Board of Trade, and but very few individuals have furnished the Committee with their views upon

it. The replies received recommend the increase of duties on the importations of all articles which can be manufactured in Canada, and a reduction on all raw material required for the same; as also a reduction of the duties on those articles in general use which cannot be produced here. Concurring in the opinion of the Secretary of the Treasury of the United States, that it is no departure from the general principle of free trade to counteract the legislation of other countries, your Committee recommend that the principle of reciprocity in our commercial legislation be extended to the productions of manufactures as well as those of agriculture, and that the same rate of duties be imposed on the manufactures of the United States as are imposed by that Government on the manufactures of Canada."

**An important discussion took place in 1862** upon the question of Intercolonial trade. It seems to have been precipitated by the agitation for what is now the Intercolonial Railway. On the 15th August, Lord Monck, Governor-General of Canada, wrote to the Lieutenant-Governors of Nova Scotia and New Brunswick, stating that it was very desirable that the three Provinces interested in the railway should come to a distinct understanding as to the part which each of them would undertake in reference to the execution of the proposed work. His Lordship mentioned the expected visit of the Earl of Mulgrave and the Lieutenant-Governor of New Brunswick to Canada as a suitable time for holding a conference, members of the respective Administrations assisting, and the 10th of September was named for that purpose.

The official return then gives the Report of the Committee of the Executive Council of Canada, approved by the Governor-General-in-Council, on the 10th of September, 1862—Sessional Papers, Volume V., No. 23, 1862. In this it is stated that their attentive consideration had been given to a Report of the Minister of Finance—the Hon. (afterwards Sir) W. P. Howland—on the despatch from the Lieut.-Governor of Nova Scotia, which enclosed a copy of a resolution of the Legislative Assembly, empowering the Government of that Colony to arrange, by negotiation with the neighbouring Provinces, a reciprocal

interchange of manufactures, duty free, and suggesting that Delegates from the Provinces should meet to consider it. The Minister of Finance submitted a series of tables, exhibiting the export and import trade with the Lower Provinces, the nature of the imports from the United States to each Colony, the tariffs of the several Colonies, etc., and expressed his opinion in favour of entering into negotiations having in view the greater freedom of intercourse between the Colonies. He also recommended that a proposal be made for the reciprocal free admission of all articles—the growth, produce, and manufacture of Canada, Nova Scotia, and any other Province becoming a party to the agreement that might be founded on this proposal. He further submitted that the meeting of Delegates from Nova Scotia and New Brunswick, to be held at Quebec to consider the question of the Intercolonial Railway, would be a favourable opportunity to consider also the question of Intercolonial trade. The Committee of the Executive Council concurred in opinion with the Finance Minister, and submitted his suggestions for His Excellency's approval. The Report of the Canadian Finance Minister was dated at Quebec on the 8th of September, 1862, and was as follows:

"In reference to the despatch from the Lieutenant-Governor of Nova Scotia to His Excellency the Governor-General, which contains a copy of a resolution of the House of Assembly of Nova Scotia, empowering the Government of that Colony to arrange by negotiation with the neighbouring Provinces a reciprocal interchange of manufactures, duty free; invites a proposal on the subject from Canada; and suggests that Delegates from the Provinces should meet to consider it; the Minister of Finance has the honour to report:

Intercolonial reciprocity commanded the attention of both the Imperial and the Canadian Governments in 1860. In that year the Lords of the Committee of Privy Council for Trade expressed an opinion somewhat adverse to it. The Finance Minister of Canada, however, stated the views of our Government in reply; and, as no answer to his argument was ever made, it is to be hoped the Imperial authorities were thereby convinced that the project is not of the char-



acter they feared, and that no opposition need be anticipated to any measure having for its object the enlargement of Free Trade between the neighbouring dependencies of the Empire. Reciprocal freedom from Intercolonial duties on a variety of articles already exists between the British North American Colonies, and future enactments can but extend a principle already sanctioned.

For the purpose of properly considering the subject of Intercolonial trade, the undersigned has caused several tables to be prepared, which are hereto appended. They contain statistical information to the latest available dates. The first series of statements, numbered I., II. and III., compiled from our own Trade and Navigation Returns, exhibits the extent of our import and export trade with our sister colonies for the past four years. It seems small compared with our total commerce; but it is nevertheless worthy of consideration, and as facilities for communication with them extend, and their population increases, it will undoubtedly grow in importance.

Lest, however, the small extent of our trade with these Provinces should give rise to erroneous ideas as to their commercial activity, attention is directed to the Table No. IV., which, with the following, is made up from their commercial statements, and shows that, in proportion to their population, the imports and exports of each—excepting Prince Edward Island—exceed those of Canada. If, as the undersigned believes, this is due to the fact that their agricultural resources and manufacturing capital are both more limited than ours, it furnishes a reason why, with increasing means of intercourse, their trade with us may be expected likewise to increase.

Table V. exhibits in contrast the tariffs of the several Provinces. The articles selected for comparison are those on which we collected duty to the extent of \$10,000 on the total imports of the year 1861, and as these comprised 94 $\frac{3}{4}$  per cent. of the whole, the rest may be left out of consideration. The following articles, viz.: Brandy, coffee, dried fruits, gin, molasses, rum, soap, sugar, tea, tobacco and wine, are charged with specific duties in some of the Colonies, and these have been reduced to their *ad valorem* equivalents on the basis of value supplied by our own Trade Tables.

With a more extended trade between Canada and the Lower Provinces, we should compete in their markets, not with those of Great Britain, but with those of the United States. Tables VI., VII., VIII. and IX. show the exact nature of the imports from the United States for each Colony, and Table X. gives the aggregate. An examination of these statements plainly shows that a large proportion of the goods which the Maritime Provinces now buy in the States could be supplied by Canada. They consist mainly of agricultural produce, in raising which we excel, and of articles the manufacture of which is rapidly increasing here. It would also be manifestly advantageous to all the Provinces if Colonial merchants and forwarders could secure a share of the business which is now almost exclusively confined to the Americans.

In view of all these facts and considerations, it appears desirable to enter into negotiations having in view the establishment of greater freedom of intercourse between the Colonies. If a complete Customs union could be formed between the Provinces, under which they could interchange without restriction all goods, the produce and manufacture of whatever country, it would have a beneficial effect. But as to carry such a union conveniently into effect greater uniformity in the tariffs of the several Colonies must be secured, which would be almost impracticable under their present political condition, the undersigned contents himself for the present with recommending that, in answer to the despatch of the Nova Scotian Government, a proposal be made for the reciprocal free admission of all articles, the growth, produce and manufacture of Nova Scotia, and any other Province becoming a party to the agreement that may be founded on this proposal.

If such an arrangement can be effected, it will undoubtedly increase Intercolonial trade, and open the way for the establishment of more intimate political relations between these important dependencies of the British Crown. The chief difficulty in bringing it about will probably be found in the indisposition of all the Provinces to sacrifice revenue. It is not to be expected that a large trade will spring up all at once; it will take years for its development, and ample time will be afforded to supply from other sources any

deficiency which may thus arise. \* \* \* Regulations would, of course, be framed for the protection of the revenue of each Colony, to prevent the free admission of other goods than those coming within the scope of the Convention.

Referring to the proposal of the Lieut.-Governor of Nova Scotia that a delegation should meet to consider this subject either in Halifax or New Brunswick, the undersigned submits that the meeting of delegates from Nova Scotia and New Brunswick about to be held here, to consider the question of an Intercolonial Railway, would be a favourable opportunity to consider also the question of Intercolonial Trade. The whole, nevertheless, submitted for the consideration of the Honourable the Executive Council.

(Signed) W. P. HOWLAND."

Tables from the above Report showing the extent of the trade of Canada with the other British North American Colonies, for four years past:

#### I.—Imports into Canada by the St. Lawrence from the other British North American Provinces.

From	1858	1859	1860	1861
Nova Scotia.....	\$149,194	\$251,445	\$217,865	\$280,495
New Brunswick.....	42,984	21,634	60,786	71,939
Prince Edward Island..	3,807	2,024	2,544	6,463
Newfoundland.....	121,163	77,119	134,617	119,233
Total.....	\$317,148	\$352,222	\$415,812	\$478,130

Total imports of Canada:	\$29,078,527	\$33,555,161	\$34,447,935	\$43,054,836
Per cent.....	1.45	1.13	1.14	1.15

#### IV.—A statistical Review of the whole export and import trade of the B.N.A. Colonies for 1860 and 1861, from their own official returns:

Colony.	Canada.	Nova Scotia.	N.B.	P.E.I.	Newfoundland.	Four Lower Provinces.	All B. N. America.
Population, 1861.....	2,507,657	330,857	252,047	80,857	124,608	788,369	3,296,026
1860.....	•	•	•	•	•	•	•
Total Imports.....	34,447,935	8,511,549	6,944,352	1,104,260	6,020,073	22,580,234	57,028,169
Total Exports.....	33,882,622	6,619,534	4,398,585	966,883	6,055,944	18,040,946	51,923,568
Imports and Exports....	68,330,557	15,131,083	11,342,937	2,071,143	12,076,017	40,621,180	108,951,737
Imports per head of the population.....	13.73	27.72	27.55	13.65	49.76	28.65	17.60
Exports per head of the population.....	13.51	20.00	17.45	10.95	48.60	22.88	15.70
1861.....	•	•	•	•	•	•	•
Total Imports.....	43,054,836	7,613,227	5,943,039	1,007,692	5,533,713	20,097,671	63,152,507
Total Exports.....	35,202,715	5,774,334	4,540,939	782,949	5,244,245	16,347,567	51,550,282
Imports and Exports....	78,257,551	13,387,561	10,489,078	1,790,641	10,777,958	36,445,238	114,702,789
Imports per head of the population.....	17.17	23.01	23.57	12.46	44.41	25.11	19.16
Exports per head of the population.....	14.03	18.34	18.03	9.68	42.08	20.71	15.64

Of the above Imports, fish and sugar were the principal.

IMPORTS OF FISH.				
Nova Scotia.....	\$57,402	\$69,670	\$40,300	\$61,766
New Brunswick.....	34,390	17,334	49,520	54,626
Prince Edward Island..	2,845	.....	704	4,963
Newfoundland.....	22,265	53,186	75,739	68,438
Total.....	\$116,902	\$140,190	\$166,263	\$189,793

IMPORTS OF SUGAR.				
Nova Scotia.....	\$53,598	\$69,417	\$46,510	\$101,000
New Brunswick.....	.....	.....	.....	36
Prince Edward Island..	.....	.....	.....	.....
Newfoundland.....	59,516	1,144	14,644	28,723
Total.....	\$113,114	\$70,561	\$61,154	\$129,759

#### II.—Exports from Canada to the other Colonies.

	1858	1859	1860	1861
Produce of the Mine....	.....	.....	\$ 80	\$ 1,342
Fisheries.....	\$222,211	\$211,356	208,011	133,640
Forest.....	35,766	44,696	50,637	141,964
Animals and their products.....	97,890	109,699	120,628	99,117
Agricultural produce....	531,082	403,641	322,135	605,076
Manufactures.....	70,166	69,625	20,046	45,825
Other articles.....	3,313	1,458	1,997	3,975
Total.....	\$960,428	\$840,475	\$723,534	\$1,030,939

Total Exports of Canada to all Countries:	\$23,472,609	\$24,766,981	\$34,631,890	\$36,614,195
Per cent....	4.08	3.39	2.08	2.84

#### III.—Total trade with the other British North American Colonies.

	1858	1859	1860	1861
Total Imports from British North America	\$423,826	\$381,755	\$393,864	\$499,177
Total Exports to British North America	960,428	840,475	723,534	1,030,939
Total Imports and Exports.....	1,384,254	1,222,230	1,117,398	1,530,116
Excess of Exports.....	\$536,602	\$458,720	\$329,670	\$531,762

## V.—Comparison of the tariffs of the five British North American Colonies.

	Canada. 1862 per ct.	Nova Scotia. 1862 per ct.	New Brunswick. 1861 per ct.	P. E. Island. 1861 per ct.	New- foundland. 1862 per ct.
Brandy .....	30	66	76	55	93
Carrriages and furni- ture .....	20	12½	17½	10	11
China-ware, etc. ....	20	12½	15	7½	11
Cigars .....	40	20	17½	30	11
Clocks and watches. 10 & 20	20	20	17½	10 & 25	11
Clothes, ready-made. 25	12½	15	15	10	11
Coffee, green. ....	33	30	26	21	25
Copper and brass ...	10	5	3½	7½	11
Cordage .....	20	5	3½	7½	5½
Cottons .....	20	12½	15	7½	11
Cottonwick .....	10	5	15	7½	11
Dried fruits .....	20	various	4½	27	60
Drugs and medicine. 20 & 30	12½	3½ & 15	7½	5½	
Fancy goods .....	20	12½	15	7½	11
Gin .....	100	184	160	175	328
Glass and glassware. 20	12½	15	7½	11	
Hats, caps and bon- nets .....	20	12½	17½	7½	11
Hosiery .....	20	12½	15	7½	11
Iron and hardware ..	20	12½	15	7½	11
Iron bar and rod ....	10	5	3½	7½	5½
Iron plate .....	10	5	15	7½	5½
Leather, tanned ...	20	12½	16	6½	11
Leather boots, shoes. 25	12½	17½	10	11	
Leather, manufac- tured other than ...	25	12½	17½	7½	11
Linen .....	20	12½	15	7½	11
Machinery .....	10	5	15	2	11
Manufactures of gold, silver plated ware. 20	12½	15	7½	11	
Man. of straw .....	20	12½	15	7½	11
Man. of wood .....	20	12½	17½	10	11
Molasses .....	37	27	2½	15	27
Musical instruments. 20	12½	17½	7½	11	
Oil .....	20	Rock oil loc. p. g. Other oil 12½c. p. g.	2½ to 15	7½	11
Paints and colors ...	20	12½	15	7	11
Paper and hangings. 20	12½	2½, 3½ & 15	7½	11	
Rum .....	100	60	67	57	107
Silks, satins, velvets. 20	12½	15	7½	11	
Small wares .....	20	12½	15	7½	11
Soap .....	30	12½	62½ or 17	7½	11
Spices .....	20	various	7½	11	
Stationery .....	20	12½	15	7½	11
Sugar, refined .....	58	25	45	39	48
Sugar, other .....	63	33	30	22	46
Tea .....	26	23	13	12	25
Tobacco, manuf'd ...	30	40	35	44	60
Wine .....	20	50	44	24	various
Woolens .....	20	12½	15	7½	11
Proportion of duties collected to total value of imports ...	1861. 11	1861. 7¼	1861. 9½	1861. 8½	1861. 7½
Proportion of duties collected to total value of dutiable imports .....	19	11½	13¼	10¼	12½

On each of the above articles Canada collected duty in 1861 to the extent of more than \$10,000. They composed 94¾ per cent. of its total imports of that year.

## VI. Table showing the Imports of Nova Scotia from the United States in 1861.

## A.—Free goods—chiefly under the Reciprocity Treaty.

Apples .....	\$ 20,748
Bread .....	16,564
Butter .....	11,186
Corn and wheat .....	48,938
Corn and oatmeal .....	156,079
Codfish .....	47,112
Flour—wheat .....	1,140,501
—rye .....	33,363
Fruit .....	21,074
Mackerel .....	14,243
Pork and hams .....	61,210
Tobacco, unmanufactured, say..	50,000
Miscellaneous, say .....	103,083

Total free goods..... \$1,724,101

## B.—Dutiable Goods.

Burning fluid .....	\$ 23,163
Cabinet wares .....	26,365
China, glass and earthenware ...	11,924
Cordage and Canvas .....	45,428
Cotton, silk and woollen manu- factures .....	156,752
Drugs and apothecary ware .....	34,231
Hardware, iron and cutlery .....	174,958
Hats and caps .....	24,219
Leather and leather manufac- tures .....	135,693
Paper manufactures, books, etc.	54,281
Woodware and Agricultural Implements .....	36,244
Tobacco, manufactured, say ...	73,775
Miscellaneous .....	116,396

Total dutiable goods..... \$913,429

## VII. Table showing the Imports of New Brunswick from the United States in 1861.

## A.—Free goods—chiefly under the Reciprocity Treaty.

Butter and cheese .....	\$ 19,447
Bran and ship stuffs .....	45,365
Coals and coal-dust .....	22,670

Fruit.....	\$ 13,852
Flour—wheat.....	988,591
Corn.....	24,242
Meat, salted.....	92,501
Meal, corn and rye flour.....	65,381
Seeds.....	10,052
Tallow.....	31,531
Vegetables.....	11,503
Wood goods.....	55,595
Miscellaneous.....	74,550

Total free goods.....\$1,455,280

#### B.—Dutiable Goods.

Apothecary ware.....	\$ 34,172
Boots and shoes, all kinds.....	84,528
Books.....	34,365
Canvas and cordage.....	28,424
Clocks and jewellery.....	11,010
Carriages, etc.....	11,461
Earthen and glassware.....	26,914
Furniture.....	16,100
Hats and hat bodies.....	21,049
Haberdashery.....	452,213
Hardware.....	70,612
Iron manufactures, iron and metals.....	39,046
India rubber manufactures.....	10,321
Leather.....	49,778
Leather manufactures.....	11,146
Molasses.....	52,050
Musical instruments.....	10,217
Paper and stationery.....	32,933
Sugar, refined.....	28,001
“ raw.....	30,930
Tea.....	120,773
Coffee.....	15,460
Other groceries.....	40,654
Tobacco, manufactured, cigars and snuff.....	58,703
Machinery and printing mater- ials.....	25,241
Oil and varnish.....	45,941
Spirits, wines, ales, etc.....	78,428
Wood manufactures.....	18,244
Miscellaneous.....	100,741

Total dutiable goods...\$1,559,455

### VIII. *Prince Edward Island*.—Imports from the United States in 1861.

#### A.—Free goods—chiefly under the Reciprocity Treaty.

Flour.....	\$ 40,187
Miscellaneous.....	22,310

Total free goods.....\$62,497

#### B.—Dutiable Goods.

Dry goods.....	\$ 11,627
Hardware and cutlery.....	19,214
Leather.....	13,817
Molasses.....	11,318
Tea.....	11,588
Miscellaneous.....	71,580
Omission or error in the P.E.I. table.....	4,802

Total dutiable goods....\$143,946

### IX. *Newfoundland*.—Imports from the United States in 1861.

#### A.—Free goods—chiefly under the Reciprocity Treaty.

Beef—salt.....	\$ 12,230
Butter.....	101,175
Corn meal.....	19,363
Flour.....	837,533
Pork.....	418,939
Miscellaneous.....	38,597

Total free goods.....\$1,427,837

#### B.—Dutiable goods.

Candles.....	\$ 20,136
Coffee.....	12,835
Hardware.....	14,472
Leather wares.....	35,918
Molasses.....	12,105
Tea.....	55,565
Tobacco.....	28,790
Woollens.....	23,520
Miscellaneous.....	92,310

Total dutiable goods.....\$295,651

X. *Recapitulation*—Summary exhibit of the total trade of all the Maritime Provinces with the United States in 1861.

Imports from the United States into:

	Nova Scotia	New Brunswick	P. E. Island.	Newfoundland.	Total.
Wheat flour . . .	\$1,140,501	\$988,591	\$40,187	\$837,533	\$3,006,812
Other free goods . . . . .	583,600	466,690	22,310	590,304	1,662,904
Total free goods . . . . .	1,724,101	1,455,281	62,497	1,427,837	4,669,716
Total dutiable goods . . . . .	913,429	1,359,455	143,946	295,651	2,912,481
Total imports . . .	2,637,530	3,014,736	206,443	1,723,488	7,582,197
Total exports . . .	1,523,555	843,141	224,522	160,665	2,751,883

It will be seen from these tables that the effect of the Reciprocity Treaty was to increase the trade of all the Provinces with the United States. But certain other results seem to have followed:

- I. It reduced trade between the Provinces.
- II. It prevented expansion in lines where there was not an absolute reduction.
- III. It destroyed the St. Lawrence as a great Canadian transportation route.
- IV. It made the United States the carriers of Canadian exports abroad.

**A Select Committee on Inter-Provincial Trade** was appointed by the House of Commons in 1877, and its Report, dated April 27th, may be found in the Journals of the House (Volume II., Appendix No. 4). Mr. N. L. McKay was chairman, and Messrs. A. H. Dymond, of North York; Patrick Power, of Halifax; Thomas Workman, of Montreal; M. H. Goudge, of Hants, N.S.; John Macdonald, of Toronto; the Hon. Peter Sinclair, of P.E.I.; and the Hon. E. J. Flynn of Quebec; were the other members. The Report made no particular recommendations and concluded as follows:

"The great importance of encouraging the closest commercial relations between the Provinces of the Dominion, induces the strongest hope in the minds of your Committee that the efforts of those engaged in endeavouring to promote Inter-Provincial trade may be successful. Your Committee have given the fullest opportunity to the parties interested to place their views and proposals before the country; and trust that the result may be to evoke a spirit of generous co-operation on the part of capitalists who may be prepared to

embark in such enterprises. The testimony of those who have made the subject their study is very strong as to the commercial benefits that have accrued to the older Provinces from Confederation; and the large volume of Inter-Provincial trade created since the political union of the Maritime Provinces with Ontario and Quebec. While the existing rail and water routes from Western Canada to the Nova Scotia seaboard and the close commercial relations existing between some portions of the Maritime Provinces and the United States necessarily tend to limit the bulk of eastward freights obtainable for local consumption by any new competitors, it has been suggested that the favourable position of Sydney, Cape Breton, and other Nova Scotia ports for developing a foreign trade, may, if a direct means of cheap transportation be established, provide an outlet for the products and manufactures of Western Canada to an unlimited extent. The details of such arrangements are too numerous and complicated for recapitulation; but the evidence bearing thereupon will, your Committee believe, deserve attentive perusal."

The Committee mentioned in Mr. Colquhoun's article was appointed on March 5th, 1883, and included Mr. H. N. Paint as chairman, the Hon. Alphonse Desjardins, the Hon. Isaac Burpee, Thos. Farrow, Alex. Gunn, the Hon. Wilfrid Laurier, Lachlan McCallum, M. H. Richey, Q.C., the Hon. Peter Mitchell, and the Hon. Thomas White as members. Its conclusions were also rather vague and general, though indicative of large and growing trade.

The following figures indicate the Inter-Provincial trade since 1877, in the transportation of coal, grain, flour and lumber via the Intercolonial Railway to and from the Maritime Provinces:

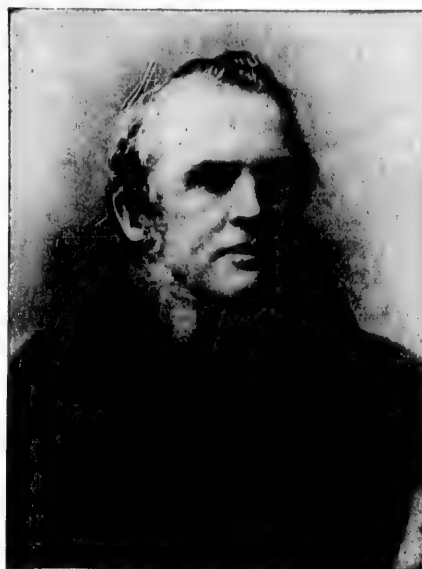
Year.	Coal. Tons.	Grain. Tons.	Flour. Tons.	Lumber. Tons.
1877	103,420	5,109	25,471	72,620
1878	97,043	5,988	63,777	70,758
1879	112,532	5,492	63,033	69,538
1880	136,466	5,929	52,515	69,328
1881	184,607	11,202	67,231	91,052
1882	248,158	10,572	69,209	98,749
1883	262,423	24,212	98,381	130,792
1884	293,562	13,200	81,564	163,901
1885	349,004	15,610	90,710	171,734
1886	407,552	17,877	73,909	145,316

Year.	Coal. Tons.	Grain. Tons.	Flour. Tons.	Lumber, Tons.	Year.	Live Stock. Tons.	Manufs. Tons.	All Others. Tons.	Totals. Tons.
1887	453,585	21,993	75,348	201,460	1882	12,865	238,769	160,634	838,956
1888	529,659	23,645	84,575	245,551	1883	12,958	278,842	163,352	970,961
1889	526,487	38,656	92,701	246,932	1884	12,575	233,592	202,769	1,001,163
1890	556,546	53,580	109,419	262,380	1885	13,980	212,868	116,163	970,068
1891	498,038	61,048	101,312	230,172	1886	12,123	225,588	126,180	1,008,545
1892	433,806	79,040	95,401	219,343	1887	12,233	240,567	126,148	1,131,334
1893	543,296	31,934	85,691	226,514	1888	12,737	278,893	100,845	1,275,905
1894	478,691	28,681	94,496	250,635	1889	11,508	252,398	36,108	1,204,790
1895	385,200	19,088	93,835	252,809	1890	10,999	319,601	40,892	1,353,417

The following table gives some further particulars, and the grand total of \$19,000,000 indicates the reality of this trade between the Provinces, as it does the wisdom of those who advocated the building of the railway:

Year.	Live Stock. Tons.	Manufs. Tons.	All Others. Tons.	Totals. Tons.
1877	6,371	43,308	165,028	421,327
1878	7,162	140,858	137,124	522,710
1879	8,454	132,727	119,090	510,861
1880	11,896	158,383	127,407	561,924
1881	11,738	168,910	190,837	725,577

These figures, of course, are only indicative of the total trade which exists throughout the Dominion as a whole. The large Ontario trade in farm implements with the North-West is an illustration of the Inter-Provincial demand for manufactures, and is only one of many instances which might be cited.



Sir William P. Howland.

## THE RECIPROCITY TREATY OF 1854

BY

THE EDITOR.

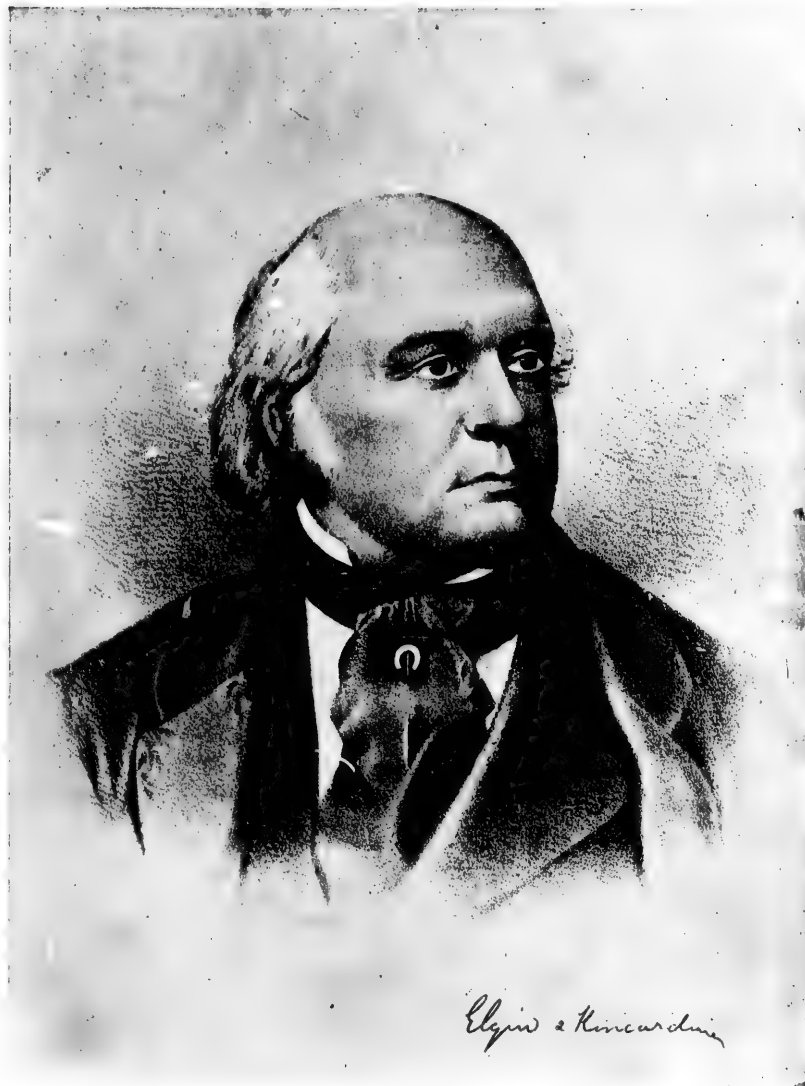
THE politics of Canada for nearly half a century have been more or less controlled by fiscal questions, and the material interests of its various Provinces, both before and since Confederation, have been greatly influenced by changes in tariff regulations. The two landmarks in this connection are undoubtedly the Elgin-Marcy Reciprocity Treaty and the National Policy of Protection. Around each the storm of party discussion has raged, and even after the lapse of forty years, the former important measure constitutes a subject of political discussion and newspaper controversy. A brief consideration therefore of the historic causes which led up to that arrangement, and the evolution in the relations between Canada and the States and Great Britain which made it possible, will be of value.

The fiscal history of these three countries seems to be divided naturally into two distinct periods, the one lasting from 1776 to 1849, the other from 1866 to the present time, with some intervals of transition. During the first period Great Britain maintained a severe protectionist policy which had the indirect effect of restricting American trade and preventing the southern extension of Canadian commerce. During the second period the American Republic adopted and maintained a similarly vigorous protective system, which limited British industrial exports and caused ultimately the development of defensive tariff legislation in Canada. The interval between these eras was one of immense expansion in the maritime interests of the United States, checked, however, by the Civil War; and of a mutually beneficial reciprocity arrangement between the Republic and the Canadian Provinces. Between 1849 and the outbreak of the Southern rebellion, Great Britain had opened her ports to

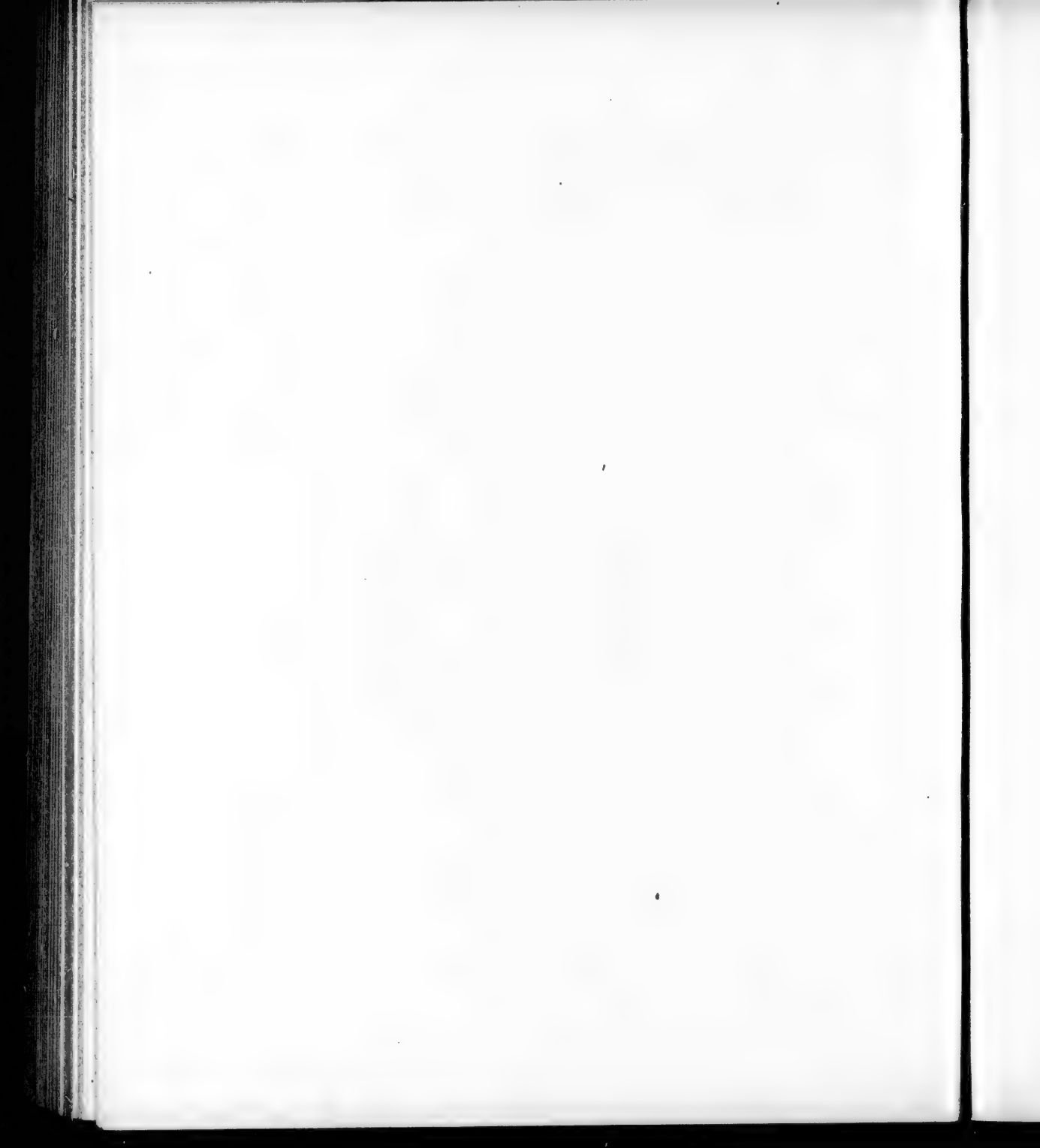
American commerce and the United States had not yet inaugurated legislation for the purpose of trying to prohibit its ports to British goods. It was indeed a time of transition from the stern protection which characterized British policy for so many years, to that which has marked American policy since the days of Lincoln and Morrill.

For many years in the early history of the United States the English navigation laws bore severely upon its commerce. The regulation by which British Colonies could only trade with the mother country, or with each other, by means of British ships, was extended in 1783, so as to forbid American provisions and fish being carried to British countries in British bottoms. This prohibition inflicted a serious injury upon the Republic, especially in its relations with the West Indies. Prior to the Revolution, in 1769, the trade of the Thirteen Colonies with the West Indian Islands amounted to \$11,650,000 out of a total external commerce of \$25,000,000, so that the effect of such prohibitory legislation may be seen at a glance. It was little wonder therefore that John Adams, as Minister to Great Britain, proposed in 1785 to the British Government that the trade between the two countries and their dominions be placed upon a footing of "perfect and liberal reciprocity." The reply of Lord Liverpool was somewhat like Mr. Blaine's response a century later to the Canadian delegates who asked for limited reciprocity with the United States: "It cannot be admitted even as a subject of negotiation." This was not a favourable beginning for pleasant commercial relations, and the youthful Republic promptly proceeded to retaliate by a navigation law which became in 1817 as strenuous as was the British; and by tariff regulations which, however, were somewhat fluctuating in their application and effect. The former measure





JAMES BRUCE, EARL OF ELGIN AND KINCARDINE.



was accompanied by a significant offer to suspend its operations with regard to any Power which would respond in a reciprocal direction. But until 1830 there was no amelioration of the policy in either case. In that year, however, as a result of the policy of Mr. Huskisson in England and a proclamation of President Jackson in the States the restrictive regulations on both sides were loosened and the United States was allowed to trade direct with the British Colonies.

Even then, British duties upon American products were higher than those maintained by the United States upon British goods. The following figures giving the total export of articles, the produce of the United States, to Great Britain, with the duties paid thereon during three years, will illustrate the height of the old time English tariff:—

Export to Great Britain.	Values.	Duties.	Per Cent.
1838	\$50,481,624	\$23,621,160	46
1839	50,791,981	26,849,477	52
1840	54,005,790	28,360,153	52
Total,	\$155,279,395	\$78,830,790	

The average American duty at this time upon woollens, collars, linens, hemp, silk, leather, iron, hardware, steel, saddlery, brass, copper and other manufactures was about 40 per cent. It will therefore be seen that the tariffs upon each side of the Atlantic were sufficiently high, and that so far as the United States was concerned the tendency was to ask for reciprocity with England, and to raise the duties higher when the response was unfavourable. But the changes were about to take place which were destined ultimately to make Great Britain and Canada the suers for reciprocity, and to give the United States the privilege of refusal. In 1846 commenced the period of transition. Sir Robert Peel on the one side abolished the Corn Laws, threw open the markets of Great Britain to American bread-stuffs, and by the repeal of the navigation laws in 1849 opened the way for a phenomenal growth of American ship building, naval transportation and trade with British Colonies. On the other hand Mr. Robert J. Walker, a free trader, became Secretary of the Treasury in the United States, and the revenue tariff of 1846 was almost simultaneously passed by Congress, followed in 1850 by a procla-

mation from the President abolishing the American navigation laws.

Meanwhile, the trade of Canada was, of course, greatly affected by the respective fiscal policies of Britain and the States. Until the middle of this century the British Provinces were tied hand and foot by the tariff of the mother country, and though they were accorded the undoubtedly great benefit of a preference in the British market, and were protected from external competition, they none the less suffered from restrictions which vitally cramped their general trade and expansion. Added to these complications was a difficulty not removed until Confederation, in 1867—the taxing of imported products from Upper and Lower Canada by the Maritime Provinces and *vice versa*. That commerce between the United States and British America could not possibly flourish under such conditions is self-evident. In fact, the imports into the Republic from the Provinces in 1827 only amounted to \$445,000, while the exports to the latter were \$2,704,014. Twenty-two years later, when the navigation laws were repealed, the total American trade with the British colonies was \$8,758,986. Two years after that event it had risen to \$15,752,509, or only seven millions, in round numbers, less than the total Canadian trade with the mother-land. Such was the condition of affairs between the three countries concerned when the Elgin-Marcy Reciprocity Treaty was negotiated, and ratified in 1854. That measure provided that certain natural products should be admitted into the United States and the British Provinces respectively free of duty for ten years, or until one year's notice of abrogation had been given by either party to the arrangement.

The Provinces made all the products mentioned in the Treaty free to Great Britain, and the Republic was at liberty to make them free to the world if it so desired, as well as to Canada. Articles of manufacture were not included, for many reasons. One was the difficulty the Provinces would have found in raising a revenue to carry on the extensive internal improvements which were then being projected, and another was the problem of how to make them free to the Republic and to England at the same time without infringing upon the higher tariff of the former against British goods. But it must be remembered that during the whole

period the treaty was in operation, Canadian duties upon American manufactures averaged a half to a third less than American duties upon Canadian articles not included in the Treaty.

There can be no doubt as to the general success of the measure. Until the outbreak of the Civil War and the development of American belief in British hostility to the North, both countries were pleased with it, although the balance of benefit in trade appeared to be with the Republic. And by means of the clauses other than fiscal the Americans enjoyed the free navigation of the St. Lawrence and its costly system of canals, while Canadians, though admitted to Lake Michigan upon equal terms, were rigorously excluded from American canals. Canadian fisheries were open to American citizens, and Mr. E. H. Derby, the United States Commissioner appointed to investigate the results of the Treaty in 1866, reported that the number of American fishing vessels in Canadian waters had ranged from 2,414 in 1850 to 3,815 in 1862. Six hundred sail during a single season had fished for mackerel in the Gulf of St. Lawrence and Bay of Chaleurs, talking fish to the value of \$4,500,000. Meantime, owing to the superior resources of the Canadian fisheries hardly a British fishing smack found its way into American waters.

In another direction Canadians can hardly be said to have benefited greatly by the Treaty. An appendix to the Report of the Canadian Commissioner of Public Works published in May 1857, speaks vividly in this connection: "During the last fifteen years the value of the Lake trade (international) has increased between 1840-50 from sixty to three hundred millions of dollars and in the same ratio must now amount to \$4,500,000,000. . . . Previous to 1850, by far the largest part of western Canadian trade was done through Montreal and the St. Lawrence, and the trade with the United States was very insignificant. But it has been greatly extended by the operation of the United States Bonding Act of 1850 and the Reciprocity Treaty." The effect of a single year of reciprocity in thus diverting trade from Canadian channels, may be seen from the figures quoted in the same Report:

Canadian imports by the St. Lawrence, 1854.....\$21,171,752

Canadian imports by the St. Lawrence, 1855..... 11,494,028  
Canadian exports by the St. Lawrence, 1854..... 12,501,372  
Canadian exports by the St. Lawrence, 1855..... 6,975,500

But while commerce by Canadian routes decreased in one year over \$15,000,000 in value, it jumped up correspondingly with the United States. From a total of \$13,971,096 in 1854, it rose to \$40,827,720 in the succeeding year and continued to expand in volume and value until the Treaty was abrogated in 1866, when Canadian trade with the Republic amounted to over \$76,000,000. Of course, the measure was a great benefit to Canada in many ways. But extraneous causes gave it an apparent value which, in later years, was immensely exaggerated, and used to prove that Canadians were getting the best of the bargain. The Crimean War was hardly over when it came into operation and the prices of agricultural products were exceptionally high. The demand in Europe was good, owing to the depleted powers of production in France, Russia, and England, whilst the competition of the United States itself was not nearly so keen as it is to-day. Then, the Canadian Provinces had entered upon an era of construction in public works. The Grand Trunk Railway was built to the extent of 1,100 miles at a local cost of \$16,000,000 and with an estimated expenditure of about \$44,000,000 of British capital. The Victoria bridge at Montreal, described by the American Consul in 1860, as "the great work of the age," was erected at a cost of close upon \$7,000,000. And other public works were begun or completed at the same time.

The effect of all this expenditure of money had not had time to wear off when the American Civil War commenced, and millions of men in the Republic were withdrawn from its productive forces and thrown into the battlefield. American exportation of food products was immediately restricted and an immense and profitable demand followed both in Britain and the States for Canadian agricultural productions. Prices rose higher than they had ever been before and many a farmer in the Dominion now owes his wealth or inheritance to what he is prone to think of as the golden days of reciprocity. Necessarily, however,

these were demands that would have been made and supplied whether the Treaty in question had existed or not, while it is beyond dispute that the high prices were the result of the entirely extraneous causes mentioned. And, as a matter of fact, the imports of Canada in certain lines during this period, prove how far from one-sided in its effects the measure really was :

UNITED STATES EXPORTS TO CANADA 1854-66.

Animals and their products.....	\$ 35,433,213
Breadstuffs .....	112,058,473
Other farm products.....	3,242,981
Timber.....	8,511,488
Manufactures .....	88,649,787

American commercial opinion was very pronounced in favour of the Treaty. As early as January, 1856, a Special Committee of the New York Chamber of Commerce presented a Report signed by Hon. J. Phillips Phenix, Robt. Kelly, and M. H. Grinnell. It was read and adopted and contained the following important paragraph :

"The result cannot fail to be greatly advantageous to both countries. While the trade of Canada by the St. Lawrence has been reduced, that with the United States has been greatly augmented—our canals and railroads have been enriched by the transportation of their surplus productions—our neighbours have purchased largely in our markets of domestic manufactures, and our vessels have had the advantage of an increased foreign trade."

At another monthly meeting of the same important Chamber in November two years later, a resolution was adopted declaring that it looked upon the Reciprocity Treaty with Canada as "one of the most important commercial treaties ever made by our Government." But it was not until abrogation was threatened that public appreciation of the measure was fully shown amongst the men of finance and commerce. Meantime trade continued to expand, and during the thirteen fiscal years in which the Treaty was operative, the United States exported, according to the official figures given by the American Bureau of Statistics (Treasury Department), \$54,000,000 more to the Provinces than it imported from them—the total amount of the exports being \$350,576,837 and the imports \$295,766,586. Following the crisis of 1857 which affected the Provinces, though not by any means to the same disastrous degree as was

visible in the Republic, it became necessary for the Government of Upper and Lower Canada to do something with the tariff, and the result was an increase of duties upon manufactured goods, partly for protective purposes but principally for the purpose of raising increased revenue.

The Galt tariff, as it was called after the Finance Minister—the late Sir A. T. Galt—was unpopular in England, where the idea of Colonial protection was not yet palatable and formed, and became, very unfairly, the basis of a later agitation in the United States for the abrogation of the Reciprocity Treaty. Of course, it is clear that no treaty can be interpreted as applicable to products expressly excluded from its terms and it is a little difficult to see how the Canadian Government could be blamed for arranging its tariff to suit internal conditions and requirements and apart from all articles included in the Treaty with the States. And a United States Report upon the new tariff presented to the thirty-seventh Congress frankly admits the general benefits of reciprocity in face of all the fuss raised over Mr. Galt's action : "From one end of our frontier to the other there is practically no difference of opinion as to the object to be gained for the mutual benefit of Canada and ourselves—a reciprocity of commerce not only in name, but in substance, giving neither party the vantage ground."

The Canadian Finance Minister could hardly have done otherwise than he did. Numerous petitions had been presented asking for protection against a competition which was proving ruinous to local industries—while a serious failure in the harvest, an exhausted exchequer, and a positive deficiency of \$2,500,000 in the revenue for the coming year, made higher duties on absolute necessity. And without going into the matter further an extract may be given from the special Report presented by James W. Taylor in May, 1860, to the United States Secretary of the Treasury which practically settles the charge made against Canada :

"Our manufacturers demand that Canada shall restore the scale of duties existing when the Reciprocity Treaty was ratified, on penalty of its abrogation. When it is considered that the duties imposed by the American tariff of 1857, are fully twenty-five per cent. higher than the correspond-

ing rates of the Canadian tariff, the demand borders on arrogance."

It is apparent, therefore, from an impartial perusal of these and many other facts which might be instanced, that the abrogation of 1866 was not an act of self-interest or self-defence on the part of Congress, but a voicing of the general sentiment of anger against Great Britain and the Colonies, caused by various unfortunate misunderstandings during the Civil war. And the repeal of the treaty is consequently not a just precedent for American objection to other reciprocity arrangements, nor was it any basis for the Congressional objection to certain clauses in the tariff presented by the Democratic administration of 1894. These conclusions are further verified by the protests made against the abrogation of the Treaty when that proposal assumed an aggressive form. On February 10th, 1862, the Chicago Board of Trade passed a resolution stating that "the Treaty has been of great value to the producing interests of the whole Northwest." During the same month and year the Chamber of Commerce at St. Paul, urged an adjustment of British and American relations upon a "basis of mutual interest and good-will." On January 13th, 1864, the Chamber of Commerce at Milwaukee, urged "a new treaty founded upon the true principles of reciprocity," and on March 8th, following, the Boston Board of Trade resolved that "the continuance of the Reciprocity Treaty of 1854, is of great moment to both countries and is demanded by the interests of American commerce." One more extract. Referring to a resolution of the Detroit Board of Trade in favour of the continuance of the Treaty until a new one could be made, a Committee of that body reported—December 9th, 1864—that "this action makes the decision of the agricultural and commercial interests of the Northwest almost unanimous in favour of the continuance of the treaty. . . . In whatever light we view the treaty it has been of vast importance to us as well as the Colonies."

But it was no use passing resolutions. The Treaty had to go, and in 1866 it was accordingly abrogated. Then commenced the period of positive American protection—an era in which the industries of the United States were built up to an astonishing extent. Canadian efforts on be-

half of commercial reciprocity were numerous. In 1865, before the cessation of the Elgin-Marcy Treaty, Sir John Macdonald and the Hon. George Brown, as leaders of opposing parties, had proceeded to England and urged the Imperial authorities to try and obtain its renewal. Overtures were accordingly made, but without effect. In 1866 four Canadian delegates went to Washington and laid before the Ways and Means Committee of the House a new offer for an extension of the Treaty. Mr. Morrill, the chairman, though opposed to its renewal, finally suggested a scheme somewhat similar to the Commercial Union plan of Congressmen Hitt and Butterworth, in later days. It was, of course, beyond the range of Canadian discussion. Then followed the confederation of all the British American Provinces, excepting Newfoundland, into the Dominion of Canada, and the establishment of a low revenue tariff of fifteen per cent. against American goods, as opposed to American duties averaging forty per cent. In 1868 the Canadian Parliament added to the Customs Act a schedule of natural products such as animals, meats, fruits, fish, poultry, butter, cheese, lard, tallow, timber, lumber, etc., which were to be admitted free into Canada whenever the United States "shall provide for the importation of similar articles from Canada into that country free of duty." This offer still remains upon the statute books and would have come largely into effect if the original agricultural schedule of the Wilson Bill had been approved by Congress.

The succeeding year saw another effort to obtain reciprocity. Sir John Rose, the Canadian Finance Minister, went to Washington in July, and actually obtained a favourable report from the Committee of Ways and Means, which the House approved in the form of a motion favouring the opening of negotiations. But nothing came of it, and in 1871 the American Government positively refused to discuss trade reciprocity in connection with the Washington Treaty. In 1873 both the United States' National Board of Trade and the Dominion Board of Trade passed resolutions in favour of reciprocal arrangements, the former body suggesting a Commission by Congress. During the year following the Canadian Government sent the Hon. George Brown to Washington to try once

more the negotiation of a treaty. After prolonged discussion, a draft was drawn up which seemed satisfactory generally, and included certain manufactures as well as natural products. But it was killed in the Senate. Four years later the Conservative party came into power in Canada and inaugurated a strong protective policy, though renewing upon the statute book the standing offer of reciprocity in the articles previously mentioned. When the fisheries question was being discussed in 1888, Sir Charles Tupper offered, on behalf of the Dominion, to settle it on the basis of an arrangement "for greater freedom of commercial intercourse." But the suggestion was declined point blank. In 1891 a delegation from Ottawa once more discussed the matter at Washington, this time with Mr. Blaine, but his refusal to consider its short of discriminating duties against Great Britain; the adoption of the American seaboard tariff by Canada; and uniform excise laws; prevented any settlement.

Such is a brief sketch of this famous Treaty and its general environment. The record proves, if anything can be proved, that the Dominion is anxious to obtain reciprocal arrangements

upon fair terms with its great neighbour. It shows that the United States for thirty years has been looking after its own commercial interests against England, as that country for two hundred years guarded its interests against the competition of the world. And it shows that in 1879 Canada copied the example of Britain and the States and proceeded to protect its interests against outside countries with vigour and determination. But great changes are now taking place. The British Empire is awaking to the importance of combination in commercial matters as well as in the consolidation of other mutual interests. Australia and Canada and South Africa are drawing towards the Mother Country and each other in an effort to fuse their vast interests in some practical trade arrangement. Reciprocity and Preferential trade are in the air, but instead of being the American reciprocity which was abrogated in 1866, and has since been so often sought in vain, it is a British Imperial trade union which in the end may prove the heaven which will leaven the whole great mass of British peoples and interests into one harmonious, united, and powerful organization.

**James Bruce, Earl of Elgin and Kincardine**, was born in London on July 20th, 1811, and was the son of the well-known Ambassador to Constantinople, whose name is preserved by the "Elgin Marbles" in the British Museum. Educated at Oxford, he early showed himself the possessor of rare oratorical talents and was surrounded by a circle of men who afterwards became eminent—Mr. Gladstone, Lord Selborne, Lord Cardwell, Lord Sherbrooke, Lord Herbert of Lea, Lord Canning, Lord Dalhousie and the Duke of Newcastle. In 1840 he was elected to Parliament, but in the following year his father died and he succeeded to a Scottish earldom without wealth or a seat in House of Lords. Lord Stanley, afterwards Lord Derby and Prime Minister, however, sent him to Jamaica in 1842 as Governor, and there he remained until 1846 amid most chequered and difficult local events. Upon his return he found the Liberals in office and Earl Grey Colonial Secretary. The latter first tried

to induce him to re-assume his position in Jamaica, but failing in that offered him the Governor-Generalship of Canada. This was accepted, and early in 1847 he arrived in Montreal with his newly-married wife—a daughter of the Earl of Durham who has exercised so important an influence in Canadian history. During his administration Lord Elgin had to face the Rebellion Losses Bill and the difficulties of the Corn Law abrogation period, besides attempting the conciliation of parties amid an unusually stormy condition of affairs. In the end he was greatly successful, and when he left Canada in 1854 had soothed local asperities, established constitutional and responsible government, obtained the Reciprocity Treaty, helped Provincial development, and made himself the most popular personality within British American boundaries. Upon his arrival in England he was called to the House of Lords and offered a position in the Cabinet, which, however, he declined. In 1857 he was sent to Peking at



the head of a Special Embassy, and there concluded the Treaty of Tientsin. At the same time he made an important treaty with Japan, and returned to England in 1858. In the following year he became Postmaster-General, but in 1860 was again in China completing his work and placing the commercial relations of the two countries upon a more permanent and satisfactory basis. Upon his return he accepted the Vice-Royalty of India, and arrived at Calcutta on March 12th, 1862. A fever caught while travelling through the country overcame him, however, and on the 20th of November, 1863, he passed away, leaving a name in Canadian history which ranks with that of Lord Dorchester and above that of Lord Durham. In comprehensive intellect and political power neither can, perhaps, be compared with him. He was emphatically the man of the hour, and to his direct achievements are added the historic memories of perfect disinterestedness of character, charming and genial manners, eloquent speech and warm affections.

To illustrate the operation of this Treaty it is expedient to show the extent of the commerce that existed between the two countries for a few years prior to its going into effect; for six years of its operation prior to the Civil War; for six years from the beginning of the war until the termination of the Treaty; and for five years after that termination. The following tables have been compiled by Mr. J. J. Cassidey, Secretary of the Canadian Manufacturers' Association, from documents prepared by the Secretary of the United States Treasury, and submitted to the United States Senate during the second session of the fifty-third Congress, and show the commerce of the United States with all British North American Possessions. These tables include Newfoundland, but the trade with that island was not of sufficient extent to materially affect the question.

	Total Exports from United States to British North America.		Total Imports into United States from British North America.	
	Domestic products.	Foreign products.	Free.	Dutiable.
1850.....	\$ 7,725,247	\$1,790,744	\$322,637	\$4,856,863
1851.....	9,050,357	2,719,733	276,648	5,003,070
1852.....	6,604,511	3,625,608	339,453	5,130,010
1853.....	7,301,327	5,131,270	395,091	6,132,468
1854.....	15,005,244	9,068,164	495,995	8,288,417
Totals...	\$45,686,686	\$22,315,519	\$1,829,896	\$29,410,828

It is, therefore, not surprising that the United States should have been willing to enter into a reciprocal arrangement which would secure for that country the maintenance and extension of a commerce which, in the preceding five years, had shown a balance in their favour of more than \$36,000,000. Their exports of domestic products to Canada exceeded the whole of their imports by \$14,400,000; in addition to which they obtained the profits of the transportation of more than \$22,000,000 worth of foreign merchandise shipped through that country to Canada.

The following table shows the commerce between the United States and Canada from the beginning of the operation of the Reciprocity Treaty in 1855 to the beginning of the war of secession in 1861:

	Total Exports from United States to Canada.		Total Imports into United States from Canada.	
	Domestic.	Foreign.	Free.	Dutiable.
1855.....	\$15,746,042	\$11,995,166	\$ 8,085,678	\$7,032,611
1856.....	22,710,697	6,314,652	20,454,890	821,724
1857.....	19,820,113	4,318,369	21,281,172	827,774
1858.....	10,591,758	4,012,768	15,293,104	491,732
1859.....	21,724,947	6,384,547	18,553,850	732,715
1860.....	18,657,029	4,038,899	22,902,386	670,410
Totals.	\$109,251,186	\$37,064,401	\$106,571,080	\$10,576,966

The above table is made to cover a term of years closing with 1860, because in the following year the war of secession broke out and soon produced exceptional results. The source from which the foregoing facts are obtained furnishes no information as to what proportion of the exports to and from Canada consisted merely of merchandise passing through one country from the other for export to Europe; neither do the exports to Canada show the true value of the exports from the United States, because not until 1893 were United States exporters required to report to Customs officers there the quantities and values of that part of their exports which were shipped into Canada by rail or other land conveyance.

On the face of the figures, however, it appears that in these six years the small population in Canada imported from the large population of the United States \$29,167,541 worth of merchandise more than they exported to that country. The total imports from Canada amounted to nearly the same value as the domestic exports to Canada, but the United States supplied Canada with

foreign merchandise in addition to the domestic to the value of \$37,064,401.

The following table shows the commerce between the United States and Canada from the commencement of the war of secession in 1861 to the termination of the Reciprocity Treaty in 1866:

	TOTAL EXPORTS FROM UNITED STATES TO CANADA.		TOTAL IMPORTS INTO UNITED STATES FROM CANADA.	
	Domestic.	Foreign.	Free.	Dutiable.
1861....	\$18,814,615	\$ 3,861,898	\$22,204,078	\$ 520,411
1862....	18,185,224	2,387,846	17,981,767	529,258
1863....	24,967,894	2,651,920	16,503,591	981,195
1864....	24,188,147	2,386,477	27,946,755	1,661,981
1865....	27,045,024	1,784,378	31,962,960	1,301,443
1866....	22,380,652	2,448,228	43,029,389	5,499,239
Totals...	\$135,581,556	\$15,520,747	\$159,628,540	\$10,493,527

The following table shows the commerce between the two countries for the five years succeeding the abrogation of the Reciprocity Treaty in 1866:

	TOTAL EXPORTS FROM UNITED STATES TO CANADA.		TOTAL IMPORTS INTO UNITED STATES FROM CANADA.	
	Domestic.	Foreign.	Free.	Dutiable.
1867....	\$17,295,837	\$ 3,724,465	\$11,890,718	\$23,153,287
1868....	21,419,222	2,661,555	1,762,840	24,498,539
1869....	20,085,805	3,295,666	3,011,630	26,282,136
1870....	21,060,369	4,278,885	2,669,901	33,595,427
1871....	27,564,344	4,711,832	2,731,254	29,760,883
Totals...	\$107,425,577	\$18,672,403	\$12,116,343	\$137,290,272

**Not the least important result of the abolition of the Corn Laws** was the immediate attention which it caused to the possibilities of American reciprocity. The Hon. William Hamilton Merritt, to whom Canada owes the Welland and other canals principally, brought the matter forward and carried the following resolution in the Canadian Legislature on May 4th, 1846:

"Resolved, that an humble Address be presented to Her Majesty, praying that she may be pleased to open a negotiation with the Government of the United States for the purpose of obtaining access for the products of Canada into the markets of that country on the same terms that American products may be admitted into the markets of Britain and Canada."

This early effort at Reciprocity was welcomed in England, and shortly afterwards the following reply was received, dated Downing Street, June

3rd, 1846, from Mr. Gladstone, then Secretary of State for the Colonies:

"With respect to that portion of the Address which prays Her Majesty's Government to invite the Government of the United States to establish an equality of trade between the domains of the Republic and the British North American Colonies, I am commanded to instruct your Lordship the Governor of Canada to assure your Assembly that Her Majesty will readily cause directions to be given to the Minister in Washington to avail himself of the earliest opportunity to press this important subject on the notice of that Government, and that it will afford Her Majesty the most sincere satisfaction if any communication which may hereafter be held for this purpose shall have the effect which is desired by her faithful Commons of Canada."

**The situation which prevailed at the time the Treaty** was under negotiation was well described in the House of Lords on the 27th of June, 1854, by Lord Clarendon, then Secretary of State for Foreign Affairs:

"It appeared to Her Majesty's Government that the return of Lord Elgin to Canada afforded an opportunity which ought not to be neglected of endeavouring to settle those numerous questions which for years past have been embarrassing the two Governments. One of those questions especially, that relating to the fisheries, has given rise to annually increasing causes of contention, and has sometimes threatened collisions, which, I believe, have only been averted for the last two years by the firmness and moderation of Sir George Seymour and of the British and American Naval commanders, and by that spirit of friendship and forbearance which has always characterized the officers of both navies. But, my Lords, your Lordships are aware that there are other questions which have given rise to embarrassing discussions between the Governments of the two countries—questions which involve the commercial relations of our North America Possessions with the United States, and that those questions, which involve very divergent interests, have become so complicated as to render their solution a matter of extreme difficulty. . . . I trust, therefore, that nothing will occur to mar the completion of this great work, which, I firmly believe,

more than any other event of recent times, will contribute to remove all differences between two countries whose similarity of language and affinity of race, whose enterprise and industry, ought to unite them in the bonds of cordial friendship, and to perpetuate feelings of mutual confidence and good-will."

In the discussion which followed all the speakers agreed as to the vast importance of a treaty arrangement, and Lord Derby, the leader of the Conservative Opposition, took the opportunity of insisting that Her Majesty's Government should keep such treaty negotiations affecting the whole Empire in their own hands, and not permit them to be dependent upon the will or consent of the Colonial authorities. He declared that: "He was afraid that if we had to consult the Colonies, with respect to a treaty with a foreign country, the effect would be that in such questions the Colonies would be independent."

**The Report of the Hon. Israel T. Hatch**, so often referred to in connection with the American contentions regarding the Treaty of 1854, was dated March 28th, 1860, and thus summarizes his opinions:

"The natural adaptation of the United States and Canada to give and receive reciprocal benefits easily and without humiliation, conferred by neighbours on each other, is well known, but the explicit and earnest appeals of Canada for an honourable and mutually beneficial reciprocity are now no longer uttered. With an increase of wealth and importance, the liberality of her spirit and of her promises has ceased; and deeming herself secure in our forbearance, Canada has adopted, by her recent legislation, a policy intended to exclude us from all the geographical benefits of our position, while she hopes to use all their advantages for her benefit. Each concession has been used as a vantage ground for further encroachment. She has reversed the natural laws of trade, and prevents her merchants and agriculturists from buying in the same market where they sell. The revenue formerly collected on our northern frontier has been annihilated. She has increased her own revenue by a tax on American industry. The advantageous trade formerly carried on with

Canada by the cities and villages of our northern frontier has been destroyed. Our farmers and lumbermen encounter the competition of new and productive territories.

It having been found that our shippers, sailors and merchants in the Atlantic cities were transacting a mutually profitable business with Canadians, the grasping spirit of their legislation endeavoured to secure all the benefits of this traffic, and attacked our interests with discriminating duties. Our railroads suffer from a British competitor, supported by privileges equivalent to taxation on their business with the Canadian Province and the interior of our own country. Our manufacturers, instead of exporting to Canada, are checked by imposts intended soon to prohibit the entrance of their productions into the Province. The wool and raw materials of Canada are admitted duty free into our markets, but fabrics made from them are excluded from Canada, contrary to the explicit assurance of the British Minister, on behalf of the Canadian Government, that it would be 'willing to carry the principle of reciprocity still further.' Hitherto the vaunted advantages from navigation through the St. Lawrence have been scarcely worthy of any serious consideration. The proffered hand of commercial friendship, accepted for a time by Canada with far more advantage to Canadians than to ourselves, is now rejected. In this exclusive and unnatural system, Canadians yet depend upon our market for the sale of their productions, upon the immense traffic of our States for their carrying trade, and upon our territory for the means of transit to the ocean. For their participation in the traffic of our States, which is the object of their unscrupulously aggressive tariffs, they depend upon the continued liberality of our revenue regulations, made under laws giving great discretionary powers, intended to be used in facilitating our commerce instead of advancing the commerce of a foreign country."

**The following historical sketch of the trade relations between Great Britain, Canada and the United States from an American standpoint** was published in 1865, as part of the report of a Special Committee of the Boston Board of Trade.

It was adopted by the Board on January 2nd in that year :

" At the dismemberment of the British Empire in 1783, it was proposed to allow the United States to participate in the trade of the remaining Colonies in this hemisphere, on terms of equality with England herself; but the English merchants who enjoyed that trade in monopoly were alarmed, and defeated the measure. Two years after, Mr. Adams, our first Minister at the Court of St. James, was instructed to renew the proposition; and was curtly answered that it could not be entertained even as a subject of negotiation. A third effort was made in 1789, with no better success.

A quarter of a century elapsed without a change of policy, or, as far as we know, without serious effort on our part to obtain concessions. But, in 1815, by an Act of Congress we relaxed our policy of discrimination in favour of our own flag to such nations as should reciprocate; and the terms proposed were adopted in the commercial treaty concluded with Great Britain the same year, which, after repeated renewals, is still in force, and this was the beginning of 'Reciprocity.' Our Government wished to place the Colonial trade on the same footing, but the overture was declined. Yet intercourse was permitted between the United States and the Colonies, by British legislation and by Orders-in-Council. Subsequent efforts to adjust the question by negotiation failed, and, in 1817, an Act of Congress restricted importations in foreign vessels to articles of the growth, produce or manufactures of the country to which such vessels belonged. The measure was retaliatory.

In the year 1817, also, Lord Castlereagh proposed to our Minister in London to allow our vessels of one deck a limited trade with a portion of the Colonies, under the 'Free Port' arrangement. Our Government not only refused to accept the proposition, but retaliated a second time, and more severely than at first. A few years later, so hostile had become the relations between the two countries, that the ports of the United States were entirely closed against the British Colonies and West Indies; and, lest British vessels coming to these ports under the Reciprocity Treaty of 1815 should evade our laws, bonds were exacted

at their departure, obligatory not to land merchandise in either of these interdicted Possessions. To countervail, an order of the King-in-Council followed, and non-intercourse on both sides was established. But the gypsum and grindstone of Nova Scotia were much needed, and the officers of the Customs on the north-eastern frontier allowed American vessels to clear for St. Andrew, and to receive these articles on the lines or in the harbours of Eastport and Lubec.

In 1824, an Act of Congress declared the suspension of all discriminating duties to the several European nations and their Possessions which had reciprocated the provisions of the Act of 1815, and gave the President authority to extend the exemption to such other Powers as should, thereafter, meet the United States on terms of equality; but the British Government refused to accede to stipulations suggested by Mr. Rush, our Minister at the Court of St. James, and negotiations were again interrupted. On the 5th of July, 1825, however, Parliament passed an Act, under which hope was entertained that an end had come to the policy of which we speak, and to allow free intercourse with the Colonies; and an unsuccessful attempt was made in Congress, soon after, to meet its provisions with corresponding legislation. The result was another order of His Majesty-in-Council, declaring the cessation of trade between the United States and the greater part of the Colonial ports, on a certain specified day. At this juncture, Mr. Gallatin, who had succeeded Mr. Rush, was instructed to accept, by treaty, the same terms, substantially, as were offered by the last-named gentleman, in 1824; but the determination of the British Government to decline all further endeavours to conclude a Convention was promptly and definitely announced.

Meantime, the question of the Colonial trade had become political, and the debates in Congress were long and acrimonious; while the newspapers and the people blamed or praised President Adams and his advisers, according to their party proclivities. In the winter of 1827, the President submitted the whole subject to Congress; and, after much discussion, a Bill to countervail the last Order-in-Council, failed; but after the session had closed, the President issued

a proclamation which accomplished the object designed by those who supported his administration. The King, in still another Order-in-Council, recited the nations that had met the provisions of the Act of July 5th, 1825, and excluded from its benefits such as had refused, and among them, of course, was our own country. Mr. Gallatin, who was still in London, however, renewed his efforts to place the Colonial trade on a satisfactory footing by legislation rather than by treaty, in a despatch to Lord Dudley. His Lordship did not even reply. So, subsequently, when our Minister addressed Mr. Canning, the curt answer was surprise that any doubt could exist as to the final determination of the British Government on the subject.

After the decease of Mr. Canning, Mr. Gallatin, in a communication to Lord Dudley, asked whether, if Congress complied with the recommendations which the President was prepared to make, the United States would be permitted to avail themselves of the Act of July 5th, 1825; and, in a conference with Mr. Huskisson, our Minister was evasively answered on this point, and told, moreover, that Great Britain considered the trade with her colonies as exclusively under her own control, and that whatever terms might be granted to foreigners was a concession. Thus, then, after twelve years of negotiation, nothing whatever had been accomplished, save, indeed, the official declaration just recorded, that any relaxation of the principles of the original 'Navigation Act' of England, as related to her Colonies, was deemed to be a mere 'boon.' And yet, during these twelve years, the diplomats of both Governments had almost always conceded that the interests of all parties would be promoted by 'Reciprocity.' Thus stood the controversy at the beginning of the administration of President Jackson; for Mr. Barbour, Minister at the Court of St. James, in January, 1829, advised Mr. Van Buren, Secretary of State, that he was induced to believe that no change of policy in favour of the United States was meditated by His Majesty's advisers. Such, in truth, was the general opinion; but a change soon occurred.

Mr. McLane, who succeeded Mr. Barbour in 1830, made an 'arrangement'—known by his name—which took effect in October of that year, and

which was undisturbed until 1854, when the existing Reciprocity Treaty was concluded.

In the place of barred and bolted ports, the people of the United States and of the Colonies now, and under the Reciprocity Treaty, deal with one another at will, exchange without Customs even the wealth of seas and the principal raw staples of the soil; mingle, as if of the same nation, on all the fishing-grounds; and, as if of the same nation, too, use the St. Lawrence and the canals which connect it with the most distant of the great lakes and with the ocean. True, in this happy condition of things there are some grave evils to lament and to correct; yet we are still to rejoice that the inhuman restrictions which existed for nearly half a century have been removed. And now, are the misunderstandings of the moment to be cherished, and to terminate, at last, in utter alienation and hatred? Is retaliatory legislation to be revived—to be revived on both sides?"

**The Legislature of New York State** passed the following concurrent resolutions regarding the Treaty early in 1862:

"Whereas, under the Treaty made by the United States with Great Britain, on behalf of the British North American Colonies, for the purpose of extending reciprocal commerce, nearly all the articles which Canada has to sell are admitted into the United States free of duty, while heavy duties are now imposed upon many of those articles which the United States have to sell, with the intention of excluding the United States from the Canadian markets, as avowed by the Minister of Finance and other gentlemen holding high official positions in Canada; and similar legislation with the same official avowal has been adopted by the imposition of discriminating tolls and duties in favour of an isolating and exclusive policy against our merchants and forwarders, meant and intending to destroy the natural effects of the Treaty, and contrary to its spirit; and whereas we believe that free commercial intercourse between the United States and the British North American Provinces and Possessions, developing the natural, geographical and other advantages of each for the good of all, is conducive to the interests of each, and is the

only proper basis of our intercourse for all time to come; and whereas the President of the United States, in the first session of the thirty-sixth Congress, caused to be submitted to the House of Representatives an official Report, setting forth the gross inequality and injustice existing in our present intercourse with Canada, subversive of the true intent of the Treaty, owing to the subsequent legislation of Canada; and whereas the first effects of a system of retaliation or reprisal would injure that portion of Canada known as the Upper Provinces, whose people have never failed in their efforts to secure a permanent and just policy for their own country and ourselves, in accordance with the desire officially expressed by Lord Napier when British Minister at Washington, for the 'confirmation and expansion of free commercial relations between the United States and the British Provinces.' Therefore:—

Resolved, that the Senators and Representatives in Congress for the State of New York are requested to take such steps, either by the appointment of Commissioners to confer with persons properly appointed on behalf of Canada, or by such other means as may seem most expedient, to protect the interests of the United States from the said unequal and unjust system of commerce now existing, and to regulate the commerce and navigation between 'Her Majesty's Possessions in North America and the United States, in such a manner as to render the same reciprocally beneficial and satisfactory,' as was intended and expressed by the Treaty. And, resolved, That the foregoing preamble and resolutions be transmitted to our Senators and Representatives in Congress, with a request that they be presented to both Houses thereof."

**The importance of the Canadian traffic to the United States**, under the Reciprocity Treaty, can be best seen by its comparison with the transactions which the Republic had with other foreign countries during the same years—given in the Statement made by Sir E. Thornton and Hon. George Brown in 1874. The total exports of the United States from 1854 to 1866 (both years inclusive) amounted to upwards of four thousand millions of dollars. Of this large total—

The British Empire	received..	\$2,769,974,538
France and her possessions	" ..	453,993,996
Spain and her possessions	" ..	265,833,221
The German Empire	" ..	207,308,647
		<hr/>
		\$3,697,110,402

And all the rest of the world took the balance.

Of the above exports Canada's share was \$346,180,264—an amount equal to the aggregate exports taken from the United States in the same years by China, Brazil, Italy, Hayti, Russia and her possessions, Venezuela, Austria, the Argentine Republic, Denmark and her possessions, Turkey, Portugal and her possessions, the Sandwich Islands, the Central American States and Japan, all put together. In marked contrast to this, however, the United States imported from these countries, in the same years, to the amount of \$538,523,386, leaving a cash balance to be paid to them by the Republic of \$192,109,610, while Canada paid over to the States a cash balance of of \$95,575,957, in gold.

**The Reply of Mr. A. T. Galt, Canadian Minister of Finance**, to the charges of infractions of the Treaty made by a Committee of the American Congress was a strong and able document, dated March 17th, 1862—Sessional Papers No. 23, Volume V., 1862. The following extracts are the most important:

"So far from pursuing a policy of isolation, Canada has certainly, during the tenure of office by the undersigned, followed one of the most commercial liberality. With the single exception of an increase of duty on certain goods from 15 to 20 per cent., rendered absolutely necessary by the absence of all other available sources of revenue, no act of Canada can be cited which is not in the direction of developing commerce. It may be sufficient to instance the perfect freedom of the St. Lawrence from the great lakes to the ocean; the absence of light-house dues; the repeal of tonnage dues on Lake St. Peter; the abolition of tolls on all vessels, whether American or Canadian; the opening of extensive districts, east and west, free from all Customs dues whatever; the encouragement of trade with France and the Mediterranean by a marked reduction of previously high duties on wine, dried fruits, etc.



The policy of the undersigned has been not by legislation to endeavour to force trade as has been done in the United States, but to invite it by the removal of all artificial barriers, and to seek in the increasing business attracted to Canada a compensation for the sacrifice made. He has believed that the various petty burdens placed at different points of the St. Lawrence in the shape of dues, tolls, etc., amounted to a serious barrier to trade, and he has sought by their removal to make the St. Lawrence the favourite, as it is the natural, outlet for the vast regions around the great lakes. That this policy has been thus far attended by a certain measure of success is shown by the following table, showing the tonnage and business of the St. Lawrence for the three years 1857-8-9, prior to the abolition of the tolls, and for 1860-1 :

Statement of the value of exports and imports via the St. Lawrence with the tonnage of vessels, inwards and outwards, during the years 1857 to 1861, inclusive :

	Value of Exports.	Value of Imports.	Tonnage of Vessels :	
			Inwards.	Outwards.
1857....	13,756,787	14,561,884	748,425	731,367
1858....	9,727,413	10,795,077	613,813	632,046
1859....	8,821,662	11,549,008	641,662	640,571
1860....	14,037,403	13,548,665	831,434	821,791
1861....	22,524,735	17,249,055	1,087,118	1,059,667

Statement showing the total value of the under-mentioned articles exported by Canada to all countries and to the United States during the years 1859, 1860, 1861 :

	1859.	
	Total Amount.	United States.
Wheat, flour and corn..\$	4,342,201	\$3,584,031
Other agricult'l products.	2,997,507	2,694,320
Timber and lumber.....	8,556,691	3,301,819
Animals.....	2,014,833	2,014,203
All other articles.....	5,191,056	2,327,941

Total..... \$23,102,378 \$13,922,314

	1860.	
	Total Amount.	United States.
Wheat, flour and corn..\$	9,564,484	\$6,483,994
Other agricult'l products.	4,694,741	3,529,805
Timber and lumber.....	10,051,147	3,846,611
Animals.....	2,048,005	2,047,745
All other articles.....	6,003,083	2,519,813

Total..... \$32,361,460 \$18,427,968

	1861.	
	Total Amount.	United States.
Wheat, flour and corn..\$	14,560,111	\$6,561,582
Other agricult'l products.	3,684,520	2,157,554
Timber and Lumber.....	8,693,638	2,065,870
Animals. ....	1,397,034	1,396,994
All other articles.....	6,381,945	2,219,427
Total.....	\$34,717,248	\$14,386,427

The Committee, however, charge upon Canada breaches of the spirit and intention of the Treaty, by an increase of duties on manufactured articles; by a change in the mode of levying the said duties; and by the abolition of tolls on the St. Lawrence canals and river. The undersigned proposes to show, by a careful review of the Report of the Committee, that these allegations are wholly without foundation, as affording any ground of complaint by the United States. It may, perhaps, be as well here, however, to dispose at once of any question arising upon the right of Canada to impose such duties as she may please on manufactured goods. The spirit and intent of any treaty can only refer either to the mode of dealing with subjects in it, or necessarily affected through it. The Treaty contains no reference to manufactured articles whatever, but is expressly limited to articles the growth and produce of the respective countries. It is, therefore, an assumption for which no ground exists, to allege that either its spirit or intent could possibly be affected by the policy of either country as regards any unenumerated article.

The spirit of the Treaty was, however, infringed by the United States by the imposition of heavy consular fees on proof of origin, which thus became tantamount to a duty, and which were, therefore, after nearly two years of negotiation, finally removed by Act of Congress. In proof that the United States never contemplated any latitude being given to the express words of the Treaty, it may be here stated that under the article of timber and lumber, they have subjected to duty all planks and boards which are either in whole or in part planed, or tongued and grooved, giving the most restricted sense to the words used—'unmanufactured, in whole or in part.' In further evidence of the views taken by that Government of the 'spirit and intent' of the Treaty, it may be



stated that they subject to duty flour ground in Canada from American wheat, although Canadian flour is free. So also is lumber made in Canada out of American saw-logs, subject to duty in the United States. In these cases, especially in the two latter, it may well be questioned whether their decision is in conformity with the spirit of the Treaty, or even its letter; it certainly does not harmonize with the allegation that there was a tacit understanding that the Treaty went beyond its letter.

On pages 6 and 7 of the Report, the most liberal sentiments are quoted from eminent statesmen of the United States, advocating 'fair reciprocity and equal competition' with the British Provinces. But the undersigned regrets to be compelled to observe that these liberal sentiments have not governed the policy of the United States. Canada admits the registration of foreign vessels without charge; the United States do not. Canada has for years tried to have the great lakes made free to vessels of both countries for coasting purposes, but without success. Canada allows American crafts to pass through her whole system of canals to the ocean, free of toll or charge of any description; but no Canadian boat is allowed, even on payment of toll, to enter an American canal. Even the express stipulation in Article IV. of the Reciprocity Treaty, that 'the Government of the United States further engages to urge upon the State Governments to secure to the subjects of Her Britannic Majesty the use of the several State canals on terms of equality with the inhabitants of the United States,' has thus far remained a dead letter; and this Government is not even informed that the promised effort has been made. Foreign goods are constantly bought in the American markets, and brought into Canada, paying duty only on the original foreign invoice; but the American Customs Laws prevent any similar purchases being made in Canada. Taking the article of tea, it has been always subjected to a duty of 20 per cent. when imported from Canada, though free if imported at the seaboard. Goods made in Canada have been invariably charged the high tariff duties of the United States, while similar articles have, until very recently, been admitted from thence into Canada at low duties, which, under the existing

Canadian tariff, are very greatly lower than the rates charged even before the imposition of the Morrill tariff."

**In connection with the proposed and hoped-for renewal of the Treaty,** Sir Edward W. Watkin states in his Memoirs that on May 23rd, 1864, he put a question to the Imperial Government in Parliament, which was replied to by Mr. (afterwards Sir A. H.) Layard, then Under-Secretary for Foreign Affairs, to the effect that nothing was being done. On February 17th, 1865, a similar response was given to another inquiry. Sir Edward then describes the events which preceded the eventual abrogation of the Treaty:

"In 1861 the Chamber of Commerce of New York moved Congress on the whole subject. Their object was the extension of the area (to include British Columbia) and purposes of the Treaty; in no sense its termination. Congress hereupon referred the matter to the 'Committee on Commerce,' Mr. Ward being chairman. That Committee reported in February, 1862, in a most able document, usually known as Mr. Ward's Report. This Report also recommended a more extended area, and more extended purposes; but in no sense the abrogation of the Treaty.

In March, 1864, Mr. Ward proposed a resolution in Congress for the appointment of Commissioners to negotiate an extended and improved Treaty with Great Britain. That resolution was laid over by Congress till December, 1864. In the summer and autumn of 1864, a correspondence sprang up between Earl Russell, Mr. Seward, Mr. Adams and others, in reference to the dangers of the invasion of the territory of the United States by Confederate agents asylumed in Canada. . . . The 'Alabama' correspondence was also going on, and a new Congress had to sit in 1865. Was it then surprising that on the 17th of March, 1865, notice to put an end to the Treaty was given?

But in July, 1865, a Convention, already alluded to, composed of delegates from New York, Philadelphia, Baltimore, Cincinnati, St. Louis, Boston, Portland, and in fact from almost every important town and district of the States north of Washington, assembled at Detroit to consider the expiry of the Treaty and the question of its renewal. After long and earnest deliberations, they

unanimously approved the notice given, and as unanimously passed the following resolution for transmission to the Government of the United States:

'That the Convention do respectfully request the President of the United States to enter into negotiations with the Government of Great Britain, having in view the execution of a Treaty between the two countries for reciprocity and commercial intercourse between the United States and the several Provinces of British North America, including British Columbia, the Selkirk Settlement and Vancouver's Island, upon principles which should be just and equitable to all parties, and which also shall include the free navigation of the St. Lawrence and other rivers of British North America, with such improvement of the rivers and enlargement of the canals, as shall render them adequate for the requirements of the west communicating with the ocean.'

At the time of passing this resolution a 'Revenue Commission' was sitting, and its members recommended the Secretary of the Treasury, Mr. McCulloch, to have a special report upon the Treaty and its renewal. The task was thereupon committed to Mr. E. H. Derby, of Boston. The Commission also includes this subject in their report. Their Report (dated January, 1866) says:

'In accordance with the resolutions of Congress and the notification of the Executive, the commercial arrangement known as the Reciprocity Treaty, under which the trade and commerce between the United States and the British Provinces of North America have been carried on since 1854, expires on the 17th day of March, 1866. The consideration of the effect which the termination of this important commercial arrangement is likely to have upon the revenue, as well as upon the trade and commerce of the United States, has legitimately formed a part of the duties devolving upon the Commission; and has also been especially commended to their attention by the Secretary of the Treasury. The Commission do not, however, propose to present in this connection any review of the history of the Treaty, or of the circumstances which have rendered its termination expedient. This work has already been performed, under the auspices of the Treasury Department, by E. H. Derby, Esq., of Boston, to whose able and exhaustive Report the Commission would refer, without, however, en-

dorsing its conclusions. There are, however, certain points connected with this subject to which the Commission would ask special attention.

The first of these is, that during the continuance of the Reciprocity Treaty the trade and commerce between the United States and the British North American Provinces has increased in ten years more than threefold, or from seventeen millions in 1862 to sixty-eight millions in 1864; so that at present, with the exception of Great Britain, the commercial relations between the United States and the British North American Provinces out-rank in importance and aggregate annual value those existing between this country and any other foreign State. The value of the import and export trade of the United States with the following countries for the year ending June 30th, 1864, was, according to the Treasury Report, as follows (in round numbers):

Great Britain.....	\$317,000,000
British North America ....	68,000,000
Spanish West Indies.....	57,000,000
France.....	29,000,000
Hamburg and Bremen ....	29,000,000
Mexico.....	20,000,000
Brazil.....	19,000,000
China.....	19,000,000
British West Indies.....	12,000,000

It may also, they think, be fairly assumed that, taking into consideration the growth of the two countries in population and wealth (that of Canada for the last ten years having preserved a nearly equal ratio in this respect with that of the United States), the trade as at present existing is really but in its infancy, and that the future may be expected to develop an increase equally as great as that of the past. A change in the conditions under which a reciprocal commerce of such magnitude is carried on, and is now developing, ought not, therefore, to be made without the most serious consideration. As regards the present Treaty, the Commission, as the result of their investigations, have been led to the conclusion that its continuance, under existing circumstances, unless accompanied with certain important modifications, is not desirable on the part of the United States.

They, however, are also unanimous in the opinion, that, in view of the close geographical connection of the United States with the British Provinces—rendering them in many respects but one country—and of the magnitude of the commercial relations existing between them, it would be impolitic and to the detriment of the interests of the United States to decline the consideration of all propositions looking to the re-establishment of some future and satisfactory international commercial arrangement. Such a course would be in entire opposition to the spirit of the age, the liberality of our people, and the policy of rapidly developing our resources as a means of diminishing the burden of our public debt.

In view of such an arrangement, the question of whether either of the parties to the Treaty has, or has not, conformed to the spirit of its stipulations, is of little importance. It is the future, not the past, that we are to consider; and if advantageous terms of the future are offered—terms which are calculated to promote the development of the trade and commerce of the United States, encourage good feelings and prevent difficulties with our neighbours, and at the same time protect the revenues of the country from serious and increasing frauds—it would be, in the opinion of the Commission, most impolitic to disregard them.

The offer on the part of the Provincial authorities to re-negotiate in respect to the commercial relations of the two countries, is in itself an expression of desire to make an arrangement that must be in every respect reciprocal; inasmuch as it is evident that no treaty can, for any length of time, continue that does not conduce to the benefit of both parties. It is evident that the necessities of the United States will for many years require the imposition of high rates of taxation on many articles, and that with the production of such articles free, or assessed at low rates of duty, in the British Provinces, the enforcement of the excise laws on the borders will be a matter of no little difficulty, annoyance and expense; and under all ordinary conditions a large annual loss to the revenue must inevitably occur. The experience of all the nations of Europe has shown that to attempt to wholly prevent smuggling under the encouragement of high rates of duty

is an utter impossibility. If, however, such an arrangement can be made with the British Provinces as will ensure a nearly or quite complete equalization of duties—excise and customs—it must be apparent that all evasions of the revenue by smugglers would instantly come to an end, and that the attainment of the above result would be of immense advantage to the United States in a revenue point of view.

Again, it is also urged that under the existing system the products of American industry subject to high rates of excise, are injuriously brought into competition with similar products of Provincial industry which are subject to little or no excise, and then admitted into the United States free of duty. That such is a fact cannot be denied; and is itself a reason why the abrogation or modification of the present Reciprocity Treaty has become imperative. But if it were possible to effect such an arrangement with the British Provinces as would allow the imposition of duties equivalent to the American excise on all articles of Provincial production passing into the United States, it seems clear that the aforementioned objection would be entirely removed.

As the whole subject, however, is now before Congress for consideration, the Commission do not consider it as within their province to submit any specific recommendations; but would content themselves with merely pointing out that, under certain circumstances, conditions of great advantage to the United States, in a revenue point of view, might be secured."

"Mr. Derby's Report contains much that is sensational," continues Sir E. W. Watkin, "and many curious admissions, but its general tenor was strongly in favour of a new treaty, regard being had to the revenue necessities of the United States; i.e., that articles admitted into the United States from Canada should pay a duty equivalent to the internal revenue tax on the same articles charged in the States. This is just as if Great Britain said that brandy from France coming into England should pay a duty equivalent to the English excise duty upon spirits, which would be quite fair. The next fact in the history is that delegates from Canada, New Brunswick and Nova Scotia are found at Washington on the 24th January, 1866,

and that they remain there till the 6th February, on which day they report that after many days' discussion they have failed to do anything, and that the Reciprocity Treaty is finally at an end. Our Government having done nothing, the Provinces, it would appear, had, at the last moment, to send 'delegates' themselves to negotiate; a mode of procedure altogether very unlike the action of 1854."

It must not be forgotten, in this connection, that in 1859, when American complaints were first made representing the Legislature of Canada as adverse to the Treaty, and as unfair to the United States in its tariff arrangements, Lord Napier, then British Minister at Washington, submitted proposals for the "confirmation and expansion of free commercial relations between the United States and the British Provinces." These were refused.

**The Report of the Select Committee** of the Chamber of Commerce of the State of New York, on the Reciprocity Treaty, dated December 21st, 1864, is an important historical document. In it the Committee sums up the American situation in the controversy in a way which proves the practical accuracy of the Canadian contentions. The following is the summary:

"1. That our trade with the British Provinces, even after it was permitted, was formerly conducted under great disadvantages, owing to the restrictive system adopted by the English Government, to the discomfort and injury of the people of the United States, as well as of Canada.

2. That by just reprisals on our part, and also by the necessities which arose out of the construction of the internal improvements in the Canadas, the British Government relaxed its system and opened its ports to our trade, which thereupon swelled to twenty and one-half millions of dollars with the Provinces.

3. That on the adoption of the Reciprocity system, in 1854, it advanced with still more rapid strides, as the tables clearly demonstrate.

4. That the objections to the Treaty are without any solid basis, or are, or may be, compensated for in various ways.

5. That the additional duties laid on our manufactured imports into Canada are still moderate,

and are for revenue purposes only; and that with our own present high tariff, we are the last persons who have a right to complain of any similar procedure, and that, notwithstanding the Provincial duties, our manufacturers find a large outlet in that direction.

6. That the debenture system, as mainly effected in 1847 by the untiring exertions of J. Phillips Phoenix in Congress, a most able and worthy member of this Chamber, has been of immense service to our interior lines of communication, canals and railways; and is an essential aid to the other commerce of the country by sea, and should not be repealed.

7. That while in some details the Treaty may be improved, yet there is enough of advantage in it to have it preserved in its essential points, with but a few modifications.

8. That to throw away the existing commerce we possess under the Treaty, which, in the aggregate since 1854, amounts to upwards of \$300,000,000, is to ignore the existence of a great country on our borders, our commerce with which is more secure from maritime dangers than any other we possess; and to retire from the full use of the great lakes and rivers emptying into the Gulf of St. Lawrence, their natural outlet, would be an act of very doubtful policy, if not positive injury.

9. That whatever smuggling now exists would be increased by a more restrictive system, which would require the maintenance of an expensive naval force.

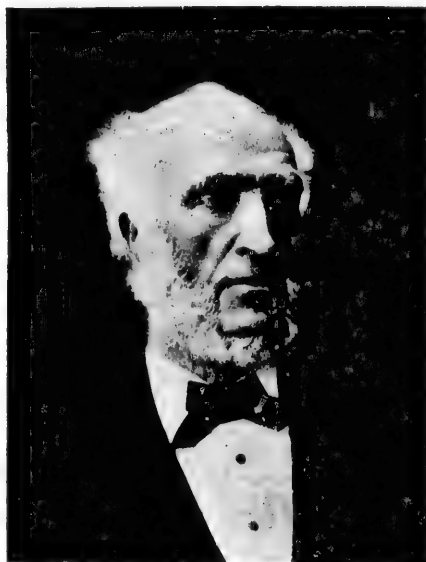
10. That, as the people of the Canadian Provinces have shown an anxiety to retain their commercial intercourse with this country, as evidenced by the acts of their agents, their merchants, and the managers of their great lines of railways, deriving their largest support from American production, and as they are willing to make further concessions on their part, in return for concessions on ours, it is our policy, as well as our duty, to meet them in a corresponding spirit.

The Committee cannot, therefore, but recommend the renewal of the Reciprocity Treaty, with such just and liberal modifications as may render it still more advantageous to the parties interested. The Chamber has, on two former occasions, expressed itself in favour of enlarging its stipulations, so that the Provinces may have the

privilege of registry and the coasting trade, for which, perhaps, the extension of the free list to our manufactures might be returned as an equivalent.

The Committee, therefore, conclude that the policy hitherto recommended by this Chamber in relation to this question should be maintained, being founded on sound commercial principles, and being conducive to the happiness and prosperity of the parties interested."

**The Detroit Reciprocity Convention, which met in the principal city of the State of Michi-**



The Hon. William McMaster.

gan on July 11th, 1865, was a most important International gathering. Representatives were present from all the most important States of the Union and from every British Province. The Hon. Hiram Blanchard, of New York, was President; and amongst the Vice-Presidents were the Hon. Hannibal Hamlin, afterwards Vice-President of the Republic, and the Hon. Joseph Howe, Hon. Thomas Ryan and Hon. William McMaster, of British America. Mr. Adam Brown,

of Hamilton, was one of the Secretaries, and the following were some of the Provincial delegates:

Hon. Billa Flint,	Belleville.
" T. N. Gibbs,	Cobourg.
" Joseph Howe,	Halifax.
" T. D. Archibald,	"
" W. J. Stairs,	"
" Isaac Buchanan,	Hamilton.
" D. McInnes,	"
" Elijah Leonard,	London.
" J. L. Beaudry,	Montreal.
" L. Renaud,	"
" L. H. Holton,	"
" Thos. Ryan,	"
Sir Hugh Allan,	"
E. H. King,	"
Charles J. Brydges,	"
Peter Redpath,	"
Walter Shanly,	"
Hon. James Skead,	Ottawa.
" J. M. Currier,	"
" J. G. Currie,	St. Catharines.
" Charles Fisher,	St. John, N.B.
" A. E. Botsford,	"
" W. H. Steeves,	"
" George Coles,	Charlottetown.
" Fred. Brecken,	"
" Wm. McMaster,	Toronto.
" John McMurrich,	"
Erastus Wiman,	"

Much pressure was brought to bear from Washington upon the American Delegates against any expression of approval for the principles of the Treaty, upon the ground that its non-renewal would help to coerce the Colonies into annexation. The final result was that the Committee on Reciprocity reported two resolutions to the Convention; and the first was immediately and unanimously adopted as follows: "Resolved, that this Convention do approve of the action of the Government of the United States in giving notice to the Government of Great Britain of its wish to terminate the Treaty of Reciprocity of June 6, 1854." The second Resolution, quoted elsewhere by Sir Edward Watkin, after prolonged discussion and a famous speech from the Hon. Joseph Howe of Nova Scotia, was also adopted substantially as the Committee reported it, and with entire unanimity.

**The famous speech delivered** by the Hon. Joseph Howe, at the International Commercial Convention held in Detroit, is a matter of history. The following extract gives an important picture of Canadian and American relations in that and preceding periods:

"The Reciprocity Treaty was a special arrangement forced upon both countries by a long frontier, by the proximity of rich fishing grounds, and by the difficulty of drawing accurate and recognized boundaries upon the sea. I need not enter upon the history of this question, which has been most accurately given by Lorenzo Sabine, Esq., in his very able report to the Boston Board of Trade. It is sufficient for us to know that for forty years the use by American citizens of the inshore fisheries upon the coasts of British America was in controversy between the Governments. That every year American fishing vessels were seized or driven off, it being impossible to define accurately a sea line of five thousand miles; that disputes were endless, tending ultimately to the employment of naval forces, with evident danger of hostile collisions and of war.

On the other hand, the Canadians, seeing the great staples of the United States freely admitted into every part of the British Empire, naturally claimed that their breadstuffs should pass with equal freedom into the United States, the greater portion being only *in transitu* to the Mother Country. The Maritime Provinces, admitting breadstuffs from the United States duty free, and all their manufactures under low import duties, not exceeding 10 to 12½ per cent., naturally claimed that their own unmanufactured staples should be admitted free into this country (the United States). And they fairly claimed that their tonnage should be entitled to the right of registry in the United States, and to participate in its coasting trade.

The Reciprocity Treaty was a compromise of all these claims and interests. For the Provinces it was an unfair compromise. The right of registry and to trade coastwise was not conceded. The free interchange of the produce of the soil, the forest and the mine was satisfactory. The right to navigate Lake Michigan was perfectly fair to both countries. But the retention of the bounties gave to the fishermen of the United States

an unfair advantage, and for the free navigation of the rivers and canals of British America no equivalents were given. To the Maritime Provinces the concession of the inshore fisheries, with the right to dry and cure fish upon their coasts, was particularly distasteful. So long as American fishermen were kept outside of a line drawn three marine miles from headlands, as fixed by the Convention of 1818, the mackerel, herring and alewife fisheries were secure from intrusion within those limits, and the cod fishery within the great bays of Newfoundland was a close preserve, while the protection of the revenue in all the Provinces gave the Governments but little concern. But the moment that American fishermen obtained the right to fish in all the bays, harbours and estuaries of British America, the line of operations was double in length, and the privilege of carrying on illicit trade with the inhabitants of the sea-coast, and of sending goods into the interior free of duty, gave them facilities extremely difficult to control. A very large amount of spirits and manufactures have in this way been introduced into the Maritime Provinces free of duty, within the past ten years, that it would not be easy to trace in the regular trade returns. So distasteful was this great concession, without equivalent, to the people of the Lower Provinces that it was denounced by some of their ablest public men as an unrequited sacrifice of their interests.

In this connection it is but right to show that, whether the Treaty was fair or unfair, in the working of it, the citizens of this country have had advantages not contemplated when it was signed. The arrangement was completed on the 5th of June, 1854, but was not to come into full effect until ratified by the Colonial Legislatures. Mr. Marcy requested that, pending the decisions of the Provinces, the American fishermen should be permitted to enter upon the inshore fisheries in as full and ample a manner as they would be when the Treaty came into force. The concession was yielded and the British and Colonial cruisers withdrawn. When the Colonies claimed the free entry of their products, pending the ratification of the Treaty, in return for this concession, existing revenue laws were pleaded, and this very reasonable claim was denied, so that at the outset the citizens of the Republic enjoyed the

chief advantages of the Treaty for nearly a year before the Colonists were practically brought within its scope and operations.

Again, when the Civil War broke out, one-half of the seaboard of the United States was blockaded, and all the advantages of the Reciprocity Treaty, so far as the consumption of the ten millions of people in the Southern States was a benefit to the Provinces, were withdrawn. Assuming that the Treaty runs over ten years, it will be seen that for the whole of that period, the



The Hon. Joseph Howe.

people of this country have enjoyed all the benefits for which they stipulated, while the British Americans, for one year of the ten, have derived no benefit at all, and for four entire years have lost the consumption of one-third of the people with whom, by the Treaty, they were entitled to trade. Recognizing the political necessities of the period, British subjects have made no complaints of this exclusion, but it ought to be borne in mind, now that the whole subject is about to be revised.

Let us now look at the working of the Treaty and estimate, if we can, in a judicial spirit, its fair and legitimate fruits. We must confess that, as a measure of peace and national fraternity, it has been most successful. It has extended to the Gulf of St. Lawrence and to the North Atlantic the freedom and the security enjoyed by the great lakes under a kindred arrangement. There have been no more intrusions, warrings, captures—no rival squadrons guarding boundaries not possible to define. This Treaty settled amicably the last boundary question about which the Governments of Great Britain and the United States could by any possibility dispute. This was a great matter, had no other good been accomplished, and he is no friend to either country who would desire to throw open the wide field of controversy again. Looking at the industrial results of the Treaty, any fair-minded and dispassionate man must admit that they have far surpassed, in utility and value, all that could have been hoped by the most sanguine advocates of the measure in 1854. The trade of the United States and of the Provinces, feeble, restricted, slow of growth, and vexatious before, has been annually swelled by mutual exchanges and honourable competition, till it is represented by a grand total of \$456,350,391, in about nine years. This amount seems almost incredible, but who can hazard an estimate of figures by which this trade will be expressed ten or twenty years hence if this wise adjustment of our mutual interests be not disturbed? If there be any advantage in a balance of trade, the returns show that the citizens of the United States have had it to the extent of \$55,951,145. But in presence of the great benefits conferred upon both countries by the measure, it would be a waste of time to chaffer over their distribution. In the interests of peace and honest industry, we should thank Providence for the blessing, and confidently rely upon the wisdom of our statesmen to see that it is preserved."

**In connection with the International Convention at Detroit the following interesting letter was written by Mr. John Bright to Mr. Joseph Aspinall, President of the Detroit Board of Trade:**

"The project of your Convention gives me



great pleasure. I hope it will lead to a renewal of commercial intercourse with the British North American Provinces, for it will be a miserable thing if, because they are in connection with the British Crown, and you acknowledge as your Chief Magistrate the President at Washington, there should not be a commercial intercourse between them and you as free as if you were one people and living under one Government.

I have felt that when your people, so free and so instructed, apply their minds to any questions of commerce, they will soon discover what is true and adopt it, and in this faith I shall look with confidence for the most beneficial results from the discussions into which they are about to enter. Whatever tends to promote harmony and commercial dealings between the United States and the Canadas will be favourably regarded by every intelligent statesman in this country.

Wishing you the happiest results from the Convention, and thanking you for your most kind letter, I am, with great respect, very sincerely yours,

(Signed) JOHN BRIGHT."

**The feeling of dismay which was felt for a while in Canada at the threatened abrogation of the Treaty is clearly shown in the following Report of a Committee of the Executive Council, which was approved by Lord Monck, as Governor-General, on the 19th of February, 1865, and is signed by W. H. Lee as Clerk of the Council:**

"The Committee of the Executive Council deem it to be their duty to represent to Your Excellency that the recent proceedings in the Congress of the United States respecting the Reciprocity Treaty have excited the deepest concern in the minds of the people of this Province. Those proceedings have had for their avowed object the abrogation of the Treaty at the earliest moment consistent with the stipulations of the instrument itself. Although no formal action indicative of the strength of the party hostile to the continuance of the Treaty has yet taken place, information of an authentic character as to the opinions and purposes of influential public men of the United States has

forced upon the Committee the conviction that there is imminent danger of its abrogation, unless prompt and vigorous steps be taken by Her Majesty's Imperial advisers to avert what would be generally regarded by the people of Canada as a great calamity. The Committee would especially bring under Your Excellency's notice the importance of instituting negotiations for the renewal of the Treaty, with such modifications as may be mutually assented to, before the year's notice required to terminate it shall be given by the American Government; for they fear that the notice, if once given, would not be revoked; and they clearly foresee that, owing to the variety and possibly the conflicting nature of the interests involved on our own side, a new treaty could not be concluded and the requisite legislation to give effect to it obtained before the year would have expired, and with it the Treaty. Under such circumstances—even with the certain prospects of an early renewal of the Treaty—considerable loss and much inconvenience would inevitably ensue.

It would be impossible to express in figures, with any approach to accuracy, the extent to which the facilities of commercial intercourse created by the Reciprocity Treaty have contributed to the wealth and prosperity of this Province, and it would be difficult to exaggerate the importance which the people of Canada attach to the continued enjoyment of these facilities. Nor is the subject entirely devoid of political significance. Under the beneficent operation of the system of self-government which the later policy of the Mother Country has accorded to Canada, in common with the other Colonies possessing representative institutions, combined with the advantages secured by the Reciprocity Treaty of an unrestricted commerce with our nearest neighbours in the natural productions of the two countries, all agitation for organic changes has ceased—all dissatisfaction with the existing political relations of the Province has wholly disappeared.

Although the Committee would grossly misrepresent their countrymen if they were to affirm that their loyalty to their Sovereign would be diminished in the slightest degree by the withdrawal, through the unfriendly action of a foreign

Government, of mere commercial privileges, however valuable these might be deemed, they think they cannot err in directing the attention of the enlightened statesmen who wield the destinies of the great Empire of which it is the proudest boast of Canadians that their country forms a part, to the connection which is usually found to exist between the material prosperity and the political contentment of the people, for in doing so they feel that they are appealing to the highest motives that can actuate patriotic statesmen—the desire to perpetuate a dominion founded on the affectionate allegiance of a prosperous and contented people.

The Committee venture to express the hope that Your Excellency will be pleased to bring this subject and the considerations now submitted under the notice of Her Majesty's Imperial advisers."

The members of the Executive Council of the Canadas at this time were Sir E. P. Taché and Sir John A. Macdonald, the Hon. George E. Cartier, Hon. A. T. Galt, Hon. Alex. Campbell, Hon. T. D'Arcy McGee, Hon. J. C. Chapais, Hon. H. L. Langevin, Hon. James Cockburn, Hon. George Brown, Hon. William McDougall and Hon. W. P. Howland. This Ministry practically remained the same until Confederation, with the exception of Messrs Galt and Brown, who retired for different reasons, and Mr. Ferguson Blair, who afterwards joined the Cabinet.

**By a Canadian Order-in-Council of March 24th, 1865,** the Hon. John A. Macdonald, Hon. George E. Cartier, Hon. George Brown and Hon. A. T. Galt were appointed a Committee of the Executive Council to proceed to England and confer with Her Majesty's Government on certain subjects of importance to the Province. They sailed for England in April, and upon their return submitted a Report to Lord Monck on July 12th, from which the following is an extract:

"On the subject of the American Reciprocity Treaty we entered into full explanation with the Imperial Ministers. We explained how advantageously the Treaty had worked for Canada, and the desire of our people for its renewal; but we showed, at the same time, how much more advantageously it had operated for American interests; and we expressed our inability to believe that the

United States Government seriously contemplated the abolition of an arrangement by which they had so greatly increased their foreign commerce, secured a vast and lucrative carrying trade, and obtained free access to the St. Lawrence and to the valuable fishing-grounds of British America; and that on the sole ground that the Provinces had also profited by the Treaty. We explained the immediate injury that would result to Canadian interests from the abrogation of the Treaty; but we pointed out, at the same time, the new and ultimately more profitable channels into which our foreign trade must, in that event, be turned, and the necessity of preparing for the change if, indeed, it was to come. We asked that the British Minister at Washington might be instructed to state frankly to the American Government the desire of the Canadian people for a renewal of the Treaty, and our readiness to discuss and favourably entertain any just propositions that might be made for an extension or modification of its conditions; we requested that the views of the American Government should be obtained at the earliest convenient date, and that His Excellency Sir Frederick Bruce should act in concert with the Canadian Government in the matter. The Imperial Government cordially assented to our suggestions."

**The Report of James W. Taylor,** prepared in 1866 under the direction of the Treasury Department of the United States, and submitted on June 12th of that year to the Hon. Hugh McCulloch, was a most important document. By resolution of the House of Representatives—March 28th, 1866—it was to include a statement of the trade of the British Provinces for the years 1854-65. Its terms fully bear out the Canadian side of the case, as the following extracts will indicate:

"The years designated in the Resolution, 1854 and 1864-65, are not favourable for a comparative statement of the Canadian trade. The year first named witnessed an unusual excitement of markets, which resulted from the application of a large amount of English capital to the construction of the Great Western and Grand Trunk railroads—the total imports of Canada in 1854 reaching \$40,528,324, while the exports were only \$23,019,188. The purchases of contractors were largely made in the United States, swelling our exports to Canada from \$7,829,099 in 1853 to \$17,300,706 in 1854. These disbursements on

account of railway construction and the speculative spirit excited by them, concurred with the first operation of the Reciprocity Treaty to increase our exports beyond the imports from Canada during 1855 and 1856; then followed the revulsion of 1857, which bore heavily upon Canadian trade, while since 1860, and during the late war, our great domestic exigencies have not only prevented foreign and manufactured goods from leaving the country, but have materially added to the American demand for Canadian products; the American reports show a movement from Canada to the United States, since July 1st, 1863, exceeding that from the United States to Canada by nearly \$25,000,000, a balance which has probably been invested in United States bonds, of which \$50,000,000 are estimated to be held in Canada. It will thus be seen that the battle year of 1864-5, when all our energies and supplies, with whatever could be drawn from our neighbours, were absorbed by great military campaigns, is even more unfavourable than 1854 to represent a normal condition of commerce.

By the Canadian tariff of 1849, spirits, wine, tobacco, tea, coffee, sugar, molasses, spices, etc., were charged with duties partly specific and partly *ad valorem*, which were gradually made exclusively specific. On the 26th March, 1859, this was altogether changed, and *ad valorem* duties ranging from thirty to one hundred per cent., and averaging forty per cent., were adopted, and mostly prevail at this time, although additional specific duties have been imposed on the articles named above by the tariffs since 1862. When the duties were exclusively specific there was great encouragement of purchase in American markets; but with the policy of 1859, substituting *ad valorem* rates, the Canadian purchaser finds it for his interest to trade directly with Europe and countries producing the article in question.

In regard to American manufactures, the Canadian tariff is not immoderate, and is of impartial application. There is no discrimination in favour of English fabrics, while the vicinity of the American manufacturer affords him a positive advantage. A large class of articles, consisting of iron, steel, metals, and articles entering into the construction of railways, houses, ships and agricultural implements, are admitted at 10 per cent.

duty; but 20 per cent. is the prevalent rate upon manufactured articles. Excluding the class of luxuries and stimulants first mentioned, the average taxation by Canada in 1864-65 upon dutiable goods was 18.7 per cent.; while of the total importations 43 per cent. were of articles free of duty. Of course, this large percentage was owing to the operation of the Reciprocity Treaty, but it is likely to continue.

The average percentage on goods paying duty by Canadian tariffs was 13 per cent. in 1854; 19 per cent. in 1859; and during the last fiscal year, ending June 30, 1865, it was 22.3 per cent. The rate of taxation by the American tariff upon dutiable goods has been ascertained by Dr. William Elder, Statistician of the Treasury Department, at the following averages for corresponding years: In 1854, 25.6 per cent.; in 1859, 19.5 per cent.; and in 1865, 50.04 per cent. The Canadian advance of rates is less than might have been anticipated, when attention is directed to the public debt of Canada, which was officially stated in 1864 at the sum of \$76,223,061. Of this amount the following expenditures by the Canadian Government have been for the construction of canals and railways which have been of great value to the Western States as communications with the ocean and the Atlantic cities:

1. The St. Lawrence canals, by which vessels of 300 tons burden avoid the rapids between Kingston and Montreal .....\$ 7,406,269
2. The Welland canal, passing vessels of 400 tons burden from Lake Erie to Lake Ontario..... 7,309,849
3. Chambly canal and River Richelieu, enabling vessels to pass from the St. Lawrence into Lake Champlain ..... 433,807
4. Lake St. Peter improvements, dredging a canal for sea-going vessels drawing 20 feet of water to Montreal..... 1,098,225
5. Harbours and light-houses, mostly in aid of the navigation of the lakes and the St. Lawrence..... 2,549,617
6. Grand Trunk Railway..... 15,312,894
7. Great Western Railway from Niagara to Detroit..... 2,810,500

8. Northern Railway, connecting Lake Huron with Lake Ontario .....	2,311,666
9. Interest on railway debentures, etc. ....	9,642,023
Total.....	\$48,874,852

Fully fifty per cent. of the debt of Canada has been assumed for objects which are directly for the advantage of the American communities in the valley of the St. Lawrence—a consideration which should restrain any violence of remonstrance against the fiscal legislation of Canada."

**The recommendations made by Mr. E. H. Derby**, in his well-known Report to the United States Government in 1866, are of considerable historic importance :

"In conclusion," he says, "allow me to suggest the policy of adopting as a basis for a new treaty with Great Britain and the Provinces, the following provisions, or as many of them as can be obtained :

I. That neither party shall establish or maintain either in the Provinces or on the waters that flow into the Gulf of St. Lawrence, or within fifty miles of the same, any free port whatever.

II. That each party shall make all reasonable exertions to discountenance and punish illicit trade between each of the Provinces and their vessels and the United States, by allowing no shipments except by proper manifests and documents, and with reasonable security against smuggling.

III. That each party may impose any duties and imposts whatever upon spirits, malt, malt liquors, wines, cordials, tobacco and its products, silks, satins, laces, velvets, sugar and molasses from the sugar cane, coffee, tea, cocoa, spices, broadcloth, and cotton cloth worth more than one dollar per pound, with this proviso, that each party shall impose duties of at least sixty cents per gallon on spirits and cordials; of at least fifteen cents per pound on coffee, spices and cocoa; and two dollars per pound on silks, satins, velvets and lace, imported into either country.

IV. That the schedule of articles to be imported free be changed as follows, viz.: the articles of cotton, lumber, fish and coal to be taken therefrom and the additions made which are suggested in the annexed draft of a treaty.

V. That specific duties of \$1 per thousand, board measure, on lumber, and ten per cent. on coal and fish be imposed. That no duties exceeding twenty per cent. be imposed on any products of each country not enumerated.

VI. That any citizen of either country may take a patent or copyright in the other by one process not more costly than the process here.

VII. That goods received in Canada, through or from the United States in original packages, shall be valued in gold for duty at the cost in the country where they were produced, as if they had come direct, and *vice versa* on importations through Canada.

VIII. That no diminution shall be made on tolls on Canadian canals or railways, in favour of vessels or goods passing between Lake Erie and points below Ogdensburg, as against parties using the Welland Canal only. That no export duties or charges of any kind be imposed on American timber from Maine, descending St. John River.

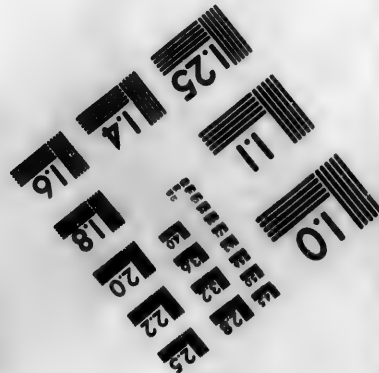
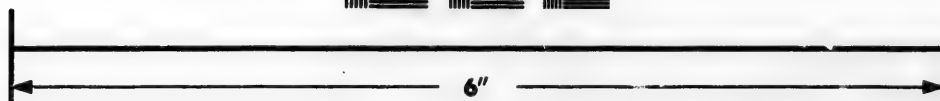
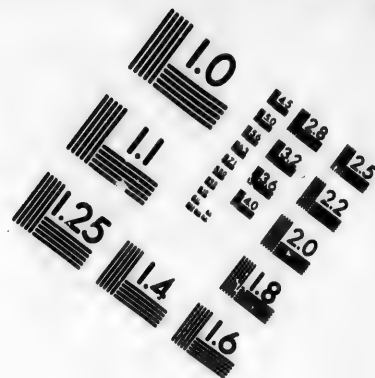
IX. That navigation for vessels drawing twelve to fourteen feet each be secured through Lake St. Clair around the Falls of Niagara down the St. Lawrence and into Lake Champlain, for both countries, and that the canal from Lake Michigan to the Illinois River be deepened.

X. That vessels built in either country may be sold and registered in the other, on repayment of a duty of five dollars per ton, for a limited period.

XI. That the Treaty be extended to Newfoundland, Western Columbia and Vancouver's Island.

XII. And, if possible, that the rights to the fisheries conceded by the Treaty of 1783, and re-established by the Reciprocity Treaty, be made perpetual. And if, as an inducement for this Treaty and in settlement of the Alabama claims, we can obtain a cession of Vancouver's Island or other territory, it will be a consummation most devoutly to be wished for.

Such a treaty would be indeed a treaty of reciprocity; under it our exports to the Provinces would rapidly increase. The export of our manufactures, which from 1856 to 1863 dwindled, under onerous duties, from seven and one-half to one and one-half million dollars, would doubtless soon recover the ground it had lost, and a growth of eight or ten millions in our exports would diminish



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the call for specie to balance our account and give our merchants facilities to make purchases in the Provinces. Canada, under such a treaty, would doubtless prosper. Return freights from this country would reduce the freight of breadstuffs, the ships we should receive from the Provinces would swell our marine, instead of that of England, and contribute something to the national revenue, without injustice to our own shipbuilders."

**According to the above Report, prepared by Mr. E. H. Derby, from American official sources, the following were the figures of the trade between the British Maritime Provinces of Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island, and the United States, during a period of fifteen years preceding that date :**

Date.	Imports from U.S.	Exports to U.S.	Total.
1850	\$ 3,116,840	\$1,358,922	\$ 4,475,832
1851	3,224,553	1,736,650	4,961,203
1852	2,650,134	1,520,330	4,170,464
1853	3,398,575	2,672,602	6,071,177
1854	4,693,771	2,206,021	6,899,792
1855	5,855,878	2,954,420	8,810,298
1856	7,519,909	3,222,224	10,742,133
1857	6,911,405	3,832,462	10,743,867
1858	5,975,494	4,224,948	10,200,442
1859	8,309,960	5,518,834	13,848,794
1860	7,502,839	4,989,708	12,392,547
1861	7,133,734	4,417,476	11,551,210
1862	7,369,905	4,046,843	11,416,748
1863	10,198,505	5,207,424	15,405,929
1864	12,323,718	7,947,897	20,276,615

Mr. Derby stated that at least ten per cent. should be added to the exports, as the Provincial manifests usually underrated the amount of shipments from the Provinces to that extent. It makes the disproportion between exports and imports all the greater.

**The Report submitted to the British Ambassador at Washington by the Canadian Commissioners in 1866, was an important document and reads as follows :**

"WASHINGTON, February 7th, 1866.

SIR,—We have the honour to inform Your Excellency that our negotiations for the renewal

of Reciprocal Trade with the United States terminated unsuccessfully. You have been informed from time to time of our proceedings, but we propose briefly to recapitulate them.

On our arrival here, after consultation with Your Excellency, we addressed ourselves, with your sanction, to the Secretary of the Treasury, and we were by him put in communication with the Committee of Ways and Means of the House of Representatives. After repeated interviews with them, and on ascertaining that no renewal or extension of the existing Treaty would be made by the American authorities, but that whatever was done must be by legislation, we submitted the basis which we desired arrangements to be made upon in the enclosed paper (marked A). In reply we received the Memorandum from the Committee, of which a copy is enclosed (B). And, finding after discussion that no important modifications in their views could be obtained, and that we were required to consider their proposition as a whole, we felt ourselves under the necessity of declining it, which was done by the Memorandum also enclosed (C).

It is proper to explain the grounds of our final action. It will be observed that the most important provisions of the expiring Treaty, relating to the free interchange of the products of the two countries, were entirely set aside, and that the duties proposed to be levied were almost prohibitory in their character. The principal object for our entering into negotiations was therefore unattainable, and we had only to consider whether the minor points were such as to make it desirable for us to enter into specific engagements.

These points are three in number. With regard to the first—the proposed mutual use of the waters of Lake Michigan and the St. Lawrence—we considered that the present arrangements were sufficient, and that the common interests of both countries would prevent their disturbance. We were not prepared to yield the right of interference in the imposition of tolls upon our canals. We believed, moreover, that the privilege allowed the United States of navigating the waters of the St. Lawrence was very much more than an equivalent for our use of Lake Michigan.

Upon the second point—providing for the free



transit of goods under bond between the two countries—we believed that in this respect, as in the former case, the interests of both countries would secure the maintenance of existing regulations. Connected with this point was the demand made for the abolition of the free ports existing in Canada, which we were not disposed to concede, especially in view of the extremely unsatisfactory position in which it was proposed to place the trade between the two countries. On both the above points, we do not desire to be understood as stating that the existing arrangements should not be extended and placed on a more permanent basis, but only that, taken apart from the important interests involved, it did not appear to us at this time necessary to deal with them exceptionally.

With reference to the third and last point—the concessions of the right of fishing in Provincial waters—we considered the equivalent proposed for so very valuable a right to be utterly inadequate. The admission of a few unimportant articles free, with the establishment of a scale of high duties as proposed, would not, in our opinion, have justified us in yielding this point.

While we regret this unfavourable termination of the negotiations, we are not without hope that at no distant day they may be resumed with a better prospect of a satisfactory result.

We have the honour to be,

Your Excellency's most obedient Servants,

A. T. GALT,

Minister of Finance, Canada.

W. P. HOWLAND,

Postmaster-General, Canada.

W. A. HENRY,

Attorney-General, Nova Scotia.

A. J. SMITH,

Attorney-General, New Brunswick.

To His Excellency,

Sir Frederick Bruce, K.C.B., etc., etc."

**The suggestions made by the British-American Delegates were embodied in Memorandum "A," dated at Washington, February 2nd, 1866, as follows:**

"The trade between the United States and the British Provinces should, it is believed, under ordinary circumstances be free in reference to

their natural productions; but as internal taxes exceptionally exist in the United States, it is now proposed that the articles embraced in the free list of the Reciprocity Treaty should continue to be exchanged, subject only to such duties as may be equivalent to that internal taxation. It is suggested that both parties may add certain articles to those now in the said list. With reference to the fisheries and the navigation of the internal waters of the continent, the British Provinces are willing that the existing regulations should continue in effect; but Canada is ready to enter into engagements with the view of improving the means of access to the ocean, provided the assurance be given that the trade of the Western States will not be diverted from its natural channel by legislation; and if the United States are not prepared at present to consider the general opening of their coasting trade, it would appear desirable that, as regards the internal waters of the continent, no distinction should be made between the vessels of the two countries.

If the foregoing points be satisfactorily arranged, Canada is willing to adjust her excise duties upon spirits, beer and tobacco upon the best revenue standard which may be mutually adopted after full consideration of the subject, and if it be desired to treat any other articles in the same way the disposition of the Canadian Government is to give every facility in their power to prevent illicit trade. With regard to the transit trade, it is suggested that the same regulations should exist on both sides and be defined by law. Canada is also prepared to make her patent laws similar to those of the United States."

The views of the Congressional Committee of Ways and Means were placed on record in reply to the above in Memorandum "B" as follows:

"In response to the Memorandum of the Hon. Mr. Galt and his associates, Hon. Mr. Smith, Hon. Mr. Henry, and the Hon. Mr. Howland, the Committee of Ways and Means, with the approval of the Secretary of the Treasury, are prepared to recommend to the House of Representatives for their adoption a law providing for the continuance of some of the measures embraced in the Reciprocity Treaty, soon to expire, viz.: For the use and privileges as enjoyed now under said

Treaty in the waters of Lake Michigan, provided the same rights and privileges are conceded to the citizens of the United States by Canada in the waters of the St Lawrence and its canals as are enjoyed by British subjects, without discrimination as to tolls and charging rates proportioned to canal distance; also for the free transit of goods, wares, and merchandise in bond under proper regulations, by railroad across the territory of the United States to and from Portland and the Canada line, provided equal privileges shall be conceded to the United States from Windsor or Port Sarnia, or other western points of departure to Buffalo or Ogdensburg or any other points eastward, and that the free ports established in the Provinces shall be abolished; also the bounties now given to American fishermen shall be repealed, and duties not higher imposed upon fish than those mentioned in Schedule A—provided that all the rights of fishing near the shores existing under the Treaty heretofore mentioned shall be granted and conceded by the United States to the Provinces, and by the Provinces to the United States. It is also further proposed that the following list of articles shall be mutually free:

Burr Millstones, unwrought.  
Cotton and linen rags. Firewood.  
Grindstones, rough or unfinished.  
Gypsum or plaster, unground.

## SCHEDULE A.

Fish—Mackerel.....	\$1.50 per bush.
“ Herring, pickled or salted. 1.00	“
“ Salmon.....	2.50 “
“ Shad.....	2.00 “
“ All other, pickled.....	1.50 “

Provided that any fish in packages, other than barrels, shall pay in proportion to the rates charged upon similar fish in barrels. All other fish  $\frac{1}{2}$  cent per lb. As to the duties which will be proposed upon the other articles included in the Treaty, the following are submitted, viz.:

Animals, living, all sorts.....	20 per cent. ad. val.
Apples, garden fruit and vegetable.....	10 “ “
Barley.....	15 cents per bush.
Beans (except vanilla or castor oil).....	30 “ “

Beef.....	1 cent per lb.
Buckwheat.....	10 cents per bush.
Butter.....	4 cents per lb.
Cheese.....	4 “
Corn (Indian) and Oats.....	10 cents per bush.
Coal, bituminous.....	50 cents per ton.
“ all other.....	25 “
Flour.....	25 per cent. ad. val.
Hams.....	2 cents per lb.
Hay.....	\$1.00 per ton.
Hides.....	10 per cent. ad. val.
Lard.....	3 cents per lb.
Lumber—	
Pine, round or in the log.....	\$1.50 per M.
Sawed or hewn.....	\$2.50 per M.
Planed, tongued, and grooved, and finished.....	25 per cent. ad. val.
Spruce and hemlock, sawed or hewn.....	\$1 per M.
Planed, finished, or partly finished.....	25 per cent. ad. val.
Shingle bolts.....	10 “
Shingles.....	20 “
All other, of black walnut, chestnut, bass, white wood, ash, oak, round, hewed or sawed.....	20 per cent. ad. val.
Planed, tongued, and grooved, or finished.....	25 per cent. ad. val.
Ores.....	10 “
Peas.....	25 cents per bush.
Pork.....	1 cent per lb.
Potatoes.....	10 cents per bush.
Seed, timothy and clover.....	20 per cent. ad. val.
Tallow.....	2 cents per lb.
Wheat.....	20 cents per bush.”

These propositions were, of course, declined at once in the following brief document termed Memorandum “C” and dated February 6th, 1866:

“In reference to the Memorandum received from the Committee on Ways and Means, the Provincial Delegates regret to be obliged to state that the proposition therein contained in regard to the commercial relations between the two countries is not such as they can recommend for the adoption of their respective Legislatures. The imposts which it is proposed to lay upon the productions of the British Provinces on their entry

into the markets of the United States are such as in their opinion will be in some cases prohibitory, and will certainly seriously interfere with the natural course of trade. These imposts are so much beyond what the Delegates conceive to be an equivalent for the internal taxation of the United States, that they are reluctantly brought to the conclusion that the Committee no longer desire the trade between the two countries to be carried on upon the principle of reciprocity. With the concurrence of the British Minister at Washington, they are therefore obliged respectfully to decline to enter into the engagement suggested in the Memorandum, but they trust that the present views of the United States may soon be so far modified as to permit of the interchange of the productions of the two countries upon a more liberal basis."

**On September 3rd, 1868, Sir John Rose made** some interesting references to Reciprocity in a communication addressed to the Colonial Office—*Sessional Papers No. 47, Volume II, No. 5, 1869* :

"As early as 1848, Mr. Crampton, Her Majesty's representative at Washington, was instructed by Lord Palmerston to urge on the American Government the establishment of Reciprocal Free Trade in natural products between Canada and the United States; and on the appointment of Sir Henry Bulwer, his successor in 1849, the Imperial Government specially directed him to continue those negotiations to the successful termination of which, in the despatch of Lord Palmerston, it was stated Her Majesty's Government attached the very highest importance. The consideration of the subject continued to be repeatedly pressed on the American Government between that time and the year 1854.

In the latter year the treaty known as the Reciprocity Treaty, was finally concluded, admitting certain natural products of each country free into the other, without any qualification as to the differential or discriminating character of its provisions. On the anticipated abrogation of that Treaty by the United States in 1865, Her Majesty's Government again lent the weight of their influence in favour of its continuance, and Her Majesty's representative at Washington was persistent in his efforts, as well to prevent its

termination as subsequently to effect its renewal. Indeed, since the period of its abrogation by the action of the United States Congress, the propriety of its renewal has been an object of avowed solicitude on the part of the Imperial Government." Upon the important question of a possible preference being allowed to certain American products over British, Sir John was decidedly vague, with an apparent tendency to consider such a contingency as within the limits of discussion. It must be remembered, too, that the document was approved by the Executive Council as a whole. He proceeds in this regard as follows :

"The second point as stated by His Grace, viz., 'the exclusive favour which substantially or at all events apparently might be conferred on the United States, if the clause providing for the admission of certain products of that country, in the event of certain contingencies, should come into operation,' and which His Grace is pleased to say 'he fears could not be acceded to,' raises a question of such deep import to the people of the Dominion, that the undersigned deems it in his duty to advert to the course which has hitherto been pursued by Her Majesty's Government with reference to it, in the conviction that further consideration will lead His Grace to withdraw the objections, which by anticipation have been advanced. The peculiar position in which Canada and the United States stand to each other makes it for their mutual interest to exchange certain articles on reciprocal terms."

After a brief reference to the past co-operation of the Imperial Government in this direction, the Finance Minister declares that he "has felt it to be so important that any negotiations which may take place with the United States for the re-establishment of free commercial intercourse between them and Canada should be untrammelled, that he has, perhaps, entered at needless detail into the history of this question." And then he proceeds to hint that any preference given would not injure Great Britain:

"In the correspondence adverted to in the despatch of His Grace, which took place on the subject of the Treaty, it was shown that its operation was not to put an end to, nor even to diminish in any sensible degree, the imports from other places than the United States, of articles admitted free under its provision, nor to subject either England or Foreign Countries to

any practical disadvantages in reference to the import of their products into Canada. Any exemptions which the United States and Canada might respectively find it for their advantage to accord could hardly in their very nature influence the trade of either country with foreign nations, since

they would probably be limited to the interchange of those products of the two countries which, from their proximity, each might profitably interchange with the other, but which neither would receive to any sensible extent from other nations, even if no reciprocal arrangements existed."

### THE TERMS OF THE RECIPROCITY TREATY OF 1854-66

"Her Majesty, the Queen of Great Britain, being equally desirous with the Government of the United States to avoid further misunderstanding between their respective subjects and citizens in regard to the extent of the right of fishing on the Coasts of British North America, secured to each by Article 1 of a Convention between the United States and Great Britain signed at London on the 20th day of October, 1818; and being also desirous to regulate the Commerce and Navigation between their respective territories and people, and more especially between Her Majesty's possessions in North America and the United States, in such manner as to render the same reciprocally beneficial and satisfactory, have respectively named Plenipotentiaries to confer and agree thereupon, that is to say: Her Majesty, the Queen of the United Kingdom of Great Britain and Ireland; James, Earl of Elgin and Kincardine, Lord Bruce and Elgin, a Peer of the United Kingdom, Knight of the Most Ancient and Most Noble Order of the Thistle, and Governor-General in and over all Her Britannic Majesty's Provinces on the Continent of North America, and in and over the Island of Prince Edward; and the President of the United States of America, William L. Marcy, Secretary of State of the United States; who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon the following Articles:—

#### ARTICLE I.

It is agreed by the High Contracting Parties that, in addition to the liberty secured to the United States fishermen by the above-mentioned Convention of October 20th, 1818, of taking, curing, and drying fish on certain coasts of the

British North American Colonies therein defined, the inhabitants of the United States shall have, in common with the subjects of Her Britannic Majesty, the liberty to take fish of every kind except shell-fish, on the coasts and shores, and in the bays, harbours, and creeks of Canada, New Brunswick, Nova Scotia, Prince Edward's Island, and of several of the islands thereunto adjacent, without being restricted to any distance from the shore; with permission to land upon the coasts and shores of those Colonies and Islands thereof, and also upon the Magdalen Islands, for the purpose of drying their nets and curing their fish; provided that, in so doing, they do not interfere with the rights of private property or British fishermen in the peaceable use of any part of the said coast in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea fishery; and the salmon and shad fisheries, and all fisheries in rivers, and the mouths of rivers, are hereby reserved exclusively for British fishermen.

And it is further agreed, that in order to prevent or settle any disputes as to the places to which the reservation of exclusive right to British fishermen contained in this article, and that of fishermen of the United States contained in the next succeeding article, apply, each of the high contracting parties, on the application of either to the other, shall within six months thereafter appoint a Commissioner. The said Commissioners before proceeding to any business, shall make and subscribe a solemn declaration that they will impartially and carefully examine and decide to the best of their judgment, and according to justice and equity, without fear, favour, or affection to their own country, upon all such places as are intended to be reserved and excluded from the com-

mon liberty of fishing under this and the next succeeding Article; and such declaration shall be entered on the record of their proceedings. The Commissioners shall name some third person to act as Arbitrator or Umpire in any case or cases, on which they may themselves differ in opinion. If they should not be able to agree upon the name of such third person, they shall each name a person, and it shall be determined by lot which of the two persons so named shall be Arbitrator or Umpire in case of difference or disagreement between the Commissioners. The person so to be chosen to be Arbitrator or Umpire shall, before proceeding to act as such in any case, make and subscribe a solemn declaration in a form similar to that which shall already have been made and subscribed by the Commissioners, which shall be entered upon the record of their proceedings. In the event of the death, absence, or incapacity of either of the Commissioners, or of the Arbitrator or Umpire, or of their or his omitting, declining, or ceasing to act as such Commissioner, Arbitrator, or Umpire, another and different person shall be appointed or named as aforesaid, and shall make and subscribe such declaration as aforesaid.

Such Commissioners shall proceed to examine the coasts of the North American Provinces and of the United States embraced within the provisions of the first and second Articles of this Treaty, and shall designate the places reserved by the said Article from the common right of fishing therein. The decision of the Commissioners and of the Arbitrator or Umpire shall be given in writing in each case, and shall be signed by them respectively. The High Contracting Parties hereby solemnly engage to consider the decision of the Commissioners conjointly, or of the Arbitrator or Umpire, as the case may be, as absolutely final and conclusive in each case decided upon by them or him, respectively.

## ARTICLE II.

It is agreed by the High Contracting Parties that British subjects shall have, in common with the Citizens of the United States, the liberty to take fish of every kind, except shell-fish, on the Eastern sea-coasts and shores of the United States,

north of the 36th parallel of north latitude, and on the shores of the several Islands thereunto adjacent, and with permission to land in the bays, harbours, and creeks of the said sea-coasts and shores of the United States and of the Islands aforesaid for the purpose of drying their nets and curing their fish; provided that in so doing they do not interfere with the rights of private property, or with the fishermen of the United States in peaceable use of any part of the said coasts in their occupancy for the same purpose. It is understood that the above mentioned liberty applies solely to the sea fishery; and the salmon and shad fisheries, and all fisheries in rivers and mouths of rivers are hereby reserved exclusively for fishermen of the United States.

## ARTICLE III.

It is agreed that the Articles enumerated in the Schedule hereunto annexed, being the growth and produce of the aforesaid British Colonies or of the United States, shall be admitted into each country respectively, free of duty:

## SCHEDULE.

Grain, flour and breadstuffs of all kinds.  
 Animals of all kinds.  
 Fresh, smoked and salted meats.  
 Cotton wool, seeds and vegetables.  
 Undried fruits, and dried fruits.  
 Fish of all kinds.  
 Produce of fish and of all other creatures living in the water.  
 Poultry, eggs.  
 Hides, furs, skins or tails, undressed.  
 Stone or marble in its crude or unwrought state. Slate.  
 Butter, cheese, tallow, lard, horns, manures.  
 Ores of metals of all kinds. Coal.  
 Pitch, tar, turpentine, ashes.  
 Timber and lumber of all kinds, round, hewed, sawed, manufactured, in whole or in part.  
 Firewood, plants, shrubs, and trees.  
 Felts, wool. Fish-oil.  
 Rice, broom-corn, and bark.  
 Gypsum, ground or unground.  
 Hewn, or wrought, or unwrought burr or grindstones.  
 Dye-stuffs.

Flax, hemp and tow, unmanufactured.  
Unmanufactured tobacco. Rags.

#### ARTICLE IV.

It is agreed that the citizens and inhabitants of the United States shall have the right to navigate the River St. Lawrence and the Canals in Canada, used as the means of communication between the Great Lakes and the Atlantic Ocean, with their vessels, boats and crafts, as fully and as freely as the subjects of Her Britannic Majesty, subject only to the same tolls and other assessments as now are or may hereafter be exacted of Her Majesty's subjects, it being understood, however, that the British Government retains the right of suspending this privilege on giving due notice thereof to the Government of the United States.

It is further agreed that if at any time the British Government should exercise the said reserved right, the Government of the United States shall have the right of suspending, if it think fit, the operation of Article 3 of the present Treaty in so far as the Province of Canada is affected thereby, for so long as the suspension of the free navigation of the River St. Lawrence or the canals may be continued.

It is further agreed that British subjects shall have the right freely to navigate Lake Michigan with their vessels, boats or crafts, so long as the privilege of navigating the St. Lawrence, secured to American citizens by the above clause of the present Article, shall continue, and the Government of the United States further engages to urge upon the State Governments to secure to the subjects of Her Britannic Majesty the use of the several State Canals on terms of equality with the inhabitants of the United States.

And it is further agreed that no export duty, or other duty, shall be levied on lumber or timber of any kind cut on that portion of the American territory in the State of Maine watered by the River St. John and its tributaries, and floated down that river to the sea, when the same is shipped to the United States from the Province of New Brunswick.

#### ARTICLE V.

The present Treaty shall take effect as soon as the laws required to carry it into operation

shall have been passed by the Imperial Parliament of Great Britain, and by the Provincial Parliaments of those of the British North American Colonies which are affected by this Treaty on the one hand, and by the Congress of the United States on the other. Such assent having been given, the Treaty shall remain in force for ten years from the date at which it may come into operation, and further, until the expiration of twelve months after either of the High Contracting Parties shall give notice to the other of its wish to terminate the same; each of the High Contracting Parties being at liberty to give such notice to the other at the end of the said term of ten years, or at any time afterwards.

It is clearly understood, however, that this stipulation is not intended to effect the reservation made by Article IV. of the present Treaty, with regard to the right of temporarily suspending the operation of Articles III. and IV. thereof.

#### ARTICLE VI.

And it is hereby further agreed that the provisions and stipulations of the foregoing Articles shall extend to the Island of Newfoundland, so far as they are applicable to that Colony. But if the Imperial Parliament, the Provincial Parliament of Newfoundland, or the Congress of the United States shall not embrace in their laws, enacted for carrying this Treaty into effect, the Colony of Newfoundland, then this Article shall be of no effect; but the omission to make provision by law to give it effect, by either of the legislative bodies aforesaid, shall not in any way impair the remaining Articles of this Treaty.

#### ARTICLE VII.

The present Treaty shall be duly ratified, and the mutual exchange of ratification shall take place in Washington within six months from the date hereof or earlier if possible. In faith whereof, we, the respective Plenipotentiaries, have signed this Treaty, and have hereunto affixed our seals.

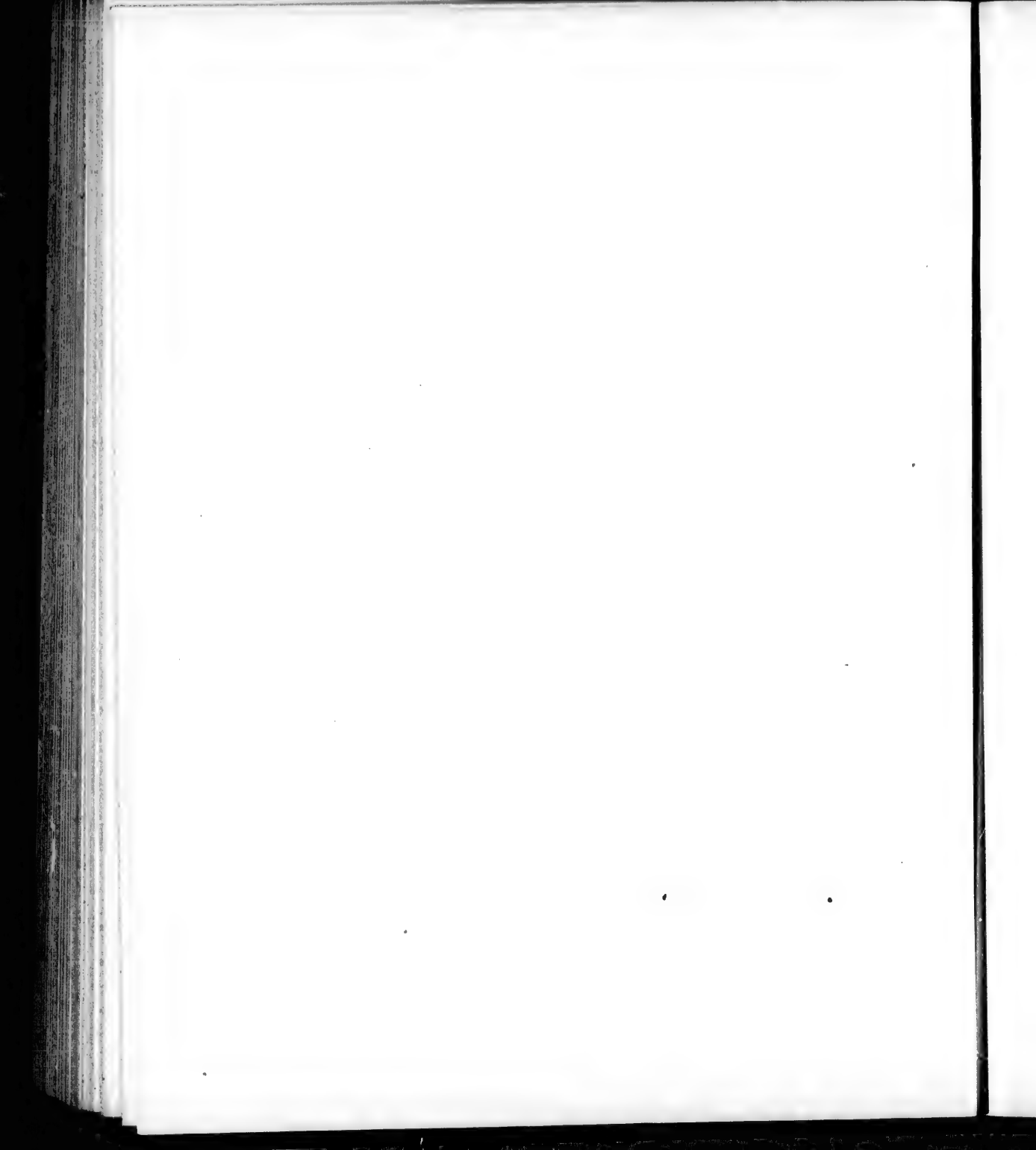
Done in triplicate, at Washington, the fifth day of June, Anno Domini one thousand eight hundred and fifty-four.

(Signed) ELGIN & KINCARDINE,  
W. L. MARCY."



THE HON. SIR RICHARD J. CARTWRIGHT





## CANADIAN TRADE RELATIONS WITH THE UNITED STATES

BY

JOHN CHARLTON, M.P.

THE relative situations of the United States of America and the Dominion of Canada, as regards geographical, ethnological, political and possible commercial conditions, are peculiar, and, in fact, unique. Perhaps no other two countries in the world, contiguous to each other, are so acted upon by conditions of environment and mutual affinities, that would, if left to their natural course, exert such resistless influence in the direction of social and commercial intimacy, and of substantial homogeneity. Geographically, the two great countries are component parts, each of the other. Their boundary line, extending from ocean to ocean, throughout its vast length presents no natural barrier to inter-communication. Naturally drawn to each other by ties of race, by a common language, by similarity of political institutions, by the geographical unity of great areas, and divided only by an imaginary line, it is found that all of these influences not only invite but literally compel intercourse, which may only be diminished by commercial restrictions, or terminated by actual war. Restrictions upon trade can only be imposed at the cost of mutual inconvenience and loss. A considerable portion of the boundary separating the two countries is a highway for commerce, composed of great stretches of navigable rivers and inland seas, which so far from proving barriers of separation, invite commercial intercommunication and serve to link the two countries together in the bonds of common interest.

The geographical conditions that invite extended and intimate trade relations between many of the natural groups of States in the American Union are not naturally as great, or as potential in ability to secure a great volume of interchange of commodities, as are the geographical affinities

existing between the Maritime Provinces and the seaboard States of the Union, or between Ontario and Quebec and the New England and Middle States, or between Manitoba and the Canadian North-West and the States of the Mississippi Valley, or between British Columbia and the States on the Pacific slope.

Ontario lies almost in the heart of the temperate zone of North America—the energetic zone as it has been not inaptly termed—extending from the 38th to the 52nd parallel of north latitude. The Ontario peninsula projects like a wedge into the territory of the United States over four hundred miles south of the international boundary line from the Lake of the Woods westward. Across this Province lies the short cut for communication between Michigan, Chicago, Northern Illinois, Wisconsin and Iowa, and New York and the New England States, while from Sault Ste. Marie, through Northern and Central Ontario, the northern part of Michigan, Northern Wisconsin, Minnesota and Dakota, with the great commercial centres of St. Paul and Minneapolis, find their shortest route to the seaboard. The agricultural portions of Ontario and Quebec are nearer the great centres of population and consumption in the United States than are the producing States of the west, while the mineral sections of Ontario north and west of Lake Huron and Lake Superior command the navigation of the great lakes, and the service of the vast system of canals and railways radiating from them to the seaboard and penetrating the continent in all directions. Quebec, commanding the natural outlet of the great lakes to the sea, should have

[This article presents historically the view of what may be termed the Continental school of fiscal thought in Canada, and though essentially controversial in statement and matter, is none the less valuable to the student of Canadian political conditions. —THE EDITOR.]

possessed one of the leading commercial centres of the world, and has been shorn of her natural heritage by the diversion of the commerce of the great west into other and artificial channels.

Trade between these two countries has been dwarfed by tariff wars, but commercial belligerency has not been able to destroy it, and the vast proportions which the interchanges between the two countries have attained are eloquent in suggestions as to what might have been accomplished, if the rude hand of repression had not sought on either side of the international line to force back the vast trade movements that natural conditions invited.

Both parties in Canada have at all times professed a strong desire to secure more extended trade relations with the United States, and before the consummation of Confederation in 1867, the Provinces which afterwards joined in Federal Union did, for a period of twelve years extending from 1854 to 1866, enjoy the privilege of free admission of their natural products into the markets of the United States. The results flowing from this Reciprocity Treaty were most satisfactory and advantageous to Canada. It is of importance to note that the exports from Canada to the United States, for the year 1866, have been exceeded in only ten of the thirty years subsequent to that date, even with estimated short returns included in the case of these ten years, which were not included in the year 1866. The figures show that our exports to the United States have practically been at a standstill since 1866.

The abrogation of the Reciprocity Treaty was probably due chiefly to the fact that the Americans realized that the ratio of increase in the Canadian export trade to the United States largely exceeded that of the import trade from the United States, which led to the belief that manufactures to a certain extent should be included in the list for free or preferential exchange in any reciprocal trade arrangement. Possibly a feeling of resentment at the manifestation of sympathy for the cause of the Southern Confederacy in some Canadian circles, and the exhibition of that feeling in the Canadian Assembly upon a memorable occasion, may, as is claimed, have had some influence in bringing about the state of

feeling that led to giving notice for the abrogation of the Treaty.

While the abrogation of the Reciprocity Treaty of 1854 proved in a marked degree detrimental to our export trade with the United States, the volume of our imports from that country has continued to increase at a ratio in excess of our increase of population. Starting from the point of \$28,361,008 in 1866, our imports from the United States stood at \$47,735,678 in 1873 and at \$58,574,024 in 1896. This increase is due to several causes. Our manufacturing interests are expanding, and we require increasing quantities of raw cotton, tobacco leaf, and other raw materials from the United States. Added to this the United States are advancing in skill and cheapness of production in various lines of manufacturing, and we purchase of them various kinds of manufactures, in increasing quantities, each succeeding year. The destruction of our forests in the older settled sections of the Dominion leads to the ever-increasing substitution of anthracite coal, as a fuel, for wood, till we have now reached an importation of that article in excess of \$5,000,000 annually. These, among other causes, account for the increase of our imports.

Canadian statesmen have not been insensible to the great desirability of obtaining a removal of the restrictions upon our trade with the United States, and since 1866 various efforts have been made in that direction. It is doubtful whether our Government was on the alert when the time came for giving notice of the termination of the Treaty, and it is possible that an earnest effort made in 1864 or 1865, accompanied by the manifestation of a cordial and friendly spirit towards the United States, would have enabled us to have secured the renewal of the Treaty, with some modification of provisions, similar to those afterwards embodied in the Brown draft Treaty of 1874. If, however, this was the case, the golden opportunity was allowed to pass unimproved, and not until after the necessary twelve months' notice for abrogation had been given by the United States, was any earnest effort made to avert the catastrophe of the loss of the Treaty. In January, 1866, a few weeks before the Treaty expired, Messrs. Galt and Howland, of Upper Canada; W. A. Henry, of Nova Scotia; and A. J. Smith of

New Brunswick, visited Washington, for the purpose of making an effort to save the Treaty. Some discussion as to terms was held with the Ways and Means Committee, of which Mr. Morrill, of Vermont, the father of the Protectionist Tariff then in force, was chairman. The disposition manifested by the members of the Committee was most illiberal, and the terms proposed were narrow and entirely inadmissible. The United States asked for inshore fishing rights, the free use of the St. Lawrence River and Canals, and the privilege to retain duties on farm products and fish, and for these concessions would give mutual bonding privileges and admit a few insignificant articles free of duty. The offer simply indicated a determination to make the agreement upon the terms of a reciprocity treaty impossible. One good result followed the abortive attempt to secure proposals from the United States that came within the limit of possible acceptance. The cold repulse received from that country gave an impetus to the movement for the confederation of the British-American Colonies, which was consummated in July of the following year.

In July 1869, efforts to secure a renewal of the Reciprocity Treaty were again made by the Canadian Government, and in July of that year Hon. John Rose, Canadian Finance Minister, went to Washington. The first tariff of the Canadian Confederation contained a standing offer for a renewal of reciprocal trade relations. This statutory offer had elicited no response from the American Government, and the mission of Mr. Rose was to test the state of feeling at Washington, after the lapse of three years since the visit of the previous Commission, and to learn definitely whether conditions could be proposed that would be acceptable to both Governments. Some mystery shrouds the mission of Mr. Rose. It is impossible apparently to say what propositions, if any, were made by him, and whether counter propositions of any nature were made by the American Government. It was evidently supposed at Ottawa, when the mission of Mr. Rose was undertaken, that the attitude of the American Government towards reciprocity was to a certain degree, at least, favourable. All that can be certainly known about the matter is, that the mission was entirely fruitless. It seems singular

that no details as to the conferences that must certainly have been held at Washington have been allowed by either Government to be made public. Suspicions exist that Mr. Rose went to the extreme length of proposing a commercial Zollverein. This was asserted by Mr. Huntington in Parliament in 1871, but the assertion was strenuously denied by Sir John A. Macdonald.

When the Liberal party came into power in November, 1873, no time was lost in renewing efforts for Reciprocity. Mr. George Brown was selected as Canadian Commissioner, and conducted negotiations under Sir Edward Thornton. Mr. Brown made a preliminary visit to Washington early in 1874. His instructions from the Canadian Cabinet permitted the placing of a list of manufactured articles upon the list for free reciprocal exchange, in addition to the coveted free exchange of natural products. Mr. Brown was well fitted for his mission, and prosecuted his duties as Canadian Commissioner with great energy and ability. Mr. Hamilton Fish was the American Secretary of State, with which Department of the Executive branch of the American Government negotiations for agreement upon the terms of a treaty were held. The work of considering and agreeing upon the terms of this arrangement proceeded rapidly. On June 17th, 1874, Sir Edward Thornton communicated with the Earl of Derby, then Foreign Secretary, informing him that a draft treaty for the regulation of the commercial relations between the United States and Canada had been agreed upon, and that Mr. Fish was to send the Treaty to the Senate on the following day. In a communication to Lord Derby on June 23rd, 1874, Sir Edward Thornton informs the Colonial Office that the draft treaty was taken into consideration by the Senate in secret session on the afternoon of June 22nd, and that it was decided that its consideration should be postponed until the session of Congress which was to be held the following December.

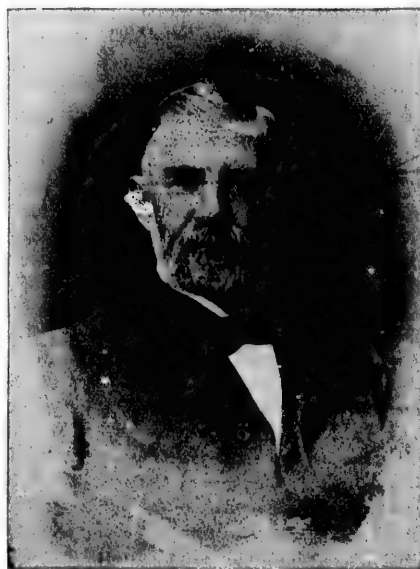
In the session which followed, the draft treaty was considered by the United States Senate and rejected. Had the treaty gone into effect, its operations would undoubtedly have been mutually advantageous and satisfactory. It gave to American fishermen the privilege of using the inshore

fisheries, except in the case of shell fish, with corresponding privileges to Canadian fishermen on the American coast north of latitude 39 degrees. Schedule A of the treaty embraced natural products. Schedule B enumerated agricultural implements, under forty subdivisions, and Schedule C embraced an important list of manufactures, under thirty-seven classifications, and including boots and shoes, cottons of various grades, cabinet ware, carriages, iron—bar, hoop, pig, puddled, rod, sheet, nails, spikes, etc.; leather, steam engines, cars and locomotives, satinet and tweeds, machinery of various kinds, etc. The articles enumerated under the various schedules were to pay two-thirds of the rate of duty payable in either country at the date of the Treaty, from July 1st, 1875, to June 30th, 1876; one-third of such rate from July 1st, 1876, to June 30th, 1877; and from the latter date were to be admitted into both countries free of duty until the expiration of the treaty—which was to continue twenty-one years, with a provision for three years' notice of termination. The draft treaty provided for the free use of the Canadian canals, and their enlargement to a depth of twelve feet by January, 1880, and for the construction of a canal from the St. Lawrence to Lake Champlain by the same date, and having a depth of twelve feet; the United States being required to provide a twelve-foot channel from Lake Champlain to New York. The Treaty made the carrying trade of the St. Lawrence and the great lakes free to the vessels of either country, and also provided for the American registry of Canadian-built ships and the Canadian registry of American-built ships. Had this arrangement been ratified by the United States Senate, and gone into effect, it would no doubt have resulted in an enormous expansion of our trade with the United States and the more rapid increase of Canada in population and wealth.

From 1867 to the present time, the agricultural schedules of the American tariff have subjected our agricultural and animal products to duties, more or less onerous, and the commercial policy of the United States towards Canada has been one of repression and unfriendliness. Lumber, minerals and quarry products have also been subjected to heavy duties, with a mitigation in

the direction of lowered duties on lumber in 1890, and of free forest products in 1894. It is strongly urged that this policy has been seriously prejudicial to our interests, and is chiefly responsible for our exceedingly unsatisfactory ratio of increase in population. It has also been injurious beyond question to American interests, though to a much smaller relative extent, owing to the vast population, the greater wealth, and the more extended development of the resources of that country.

During the period from 1879 to the present



John Charlton, M.P.

time the Canadian Government has sought to afford the Canadian agricultural class some recompense for the burdens placed upon them by the American tariff, through their policy of agricultural protection. This policy afforded all the relief that was attainable short of that which might have been afforded by lowering or removing the duties upon such imported commodities as the farmer was obliged to purchase. While this policy may, in some instances, have been slightly beneficial, many of us believe that it was, on the

whole, of trifling consequence to the agricultural class. The country exported considerable quantities of nearly all the products upon which duties were imposed, and it was the price received for the surplus, thus exported, that governed prices in Canada. A duty could have little or no influence upon the price of any article which we did not import for consumption, and of which we had a considerable surplus after supplying the home demand. American coal duties were met by duties upon American bituminous coal, which were designed to give the coal mines of Nova Scotia command of the Canadian market to as great an extent as possible, and which did increase the consumption of Nova Scotia coal. But this was done at the cost of the consumer—especially in the Province of Ontario.

The American lumber duties were met by an export duty upon saw-logs, first imposed in 1866 at \$1.00 per M., increased to \$2.00 per M. in 1886, and continued till 1890, when a \$1.00 duty upon white pine lumber was arranged upon condition that no export duties should be imposed by Canada. The objection was urged to the export duty that it was indefensible because the import of saw-logs from the United States vastly exceeded our export of logs to that country, and that the United States did not attempt to interfere with the trade by imposing export duties, which, indeed, the constitution of the country prohibited. Our largest import of saw-logs was from the State of Maine into the Province of New Brunswick, for conversion into lumber at St. John and other New Brunswick points. From 1885 to 1891, inclusive, our export of saw-logs to the United States amounted, as per Trade and Navigation Returns, to \$3,289,000. Our import of logs, during the same period, was \$3,188,000, independent of the importation from Maine into New Brunswick, which for the same period amounted to 659,000,000 feet, valued at \$5,280,000, or a total saw-log importation for the period of \$8,468,000, as against a saw-log export for the same period of \$3,289,000. Considering the relative condition of the saw-log export and import trade, in which the proportion of our excess of imports over exports, prior to 1885, had been still greater than for the period under consideration; the imposition of an export duty designed to

secure the sawing of the logs in our own country, was naturally a cause of irritation. Since 1890 the relative proportions of export and import of logs has changed, and for the period from 1890 to 1896, our exports of logs to the United States, have exceeded our imports of logs from the United States, including the New Brunswick import, by about 37 per cent.

While the McKinley Bill, which became law late in 1890, conceded a reduction in lumber duties, its provisions with relation to the Canadian agriculturist were made more onerous and illiberal than the corresponding provisions of any American tariff that had preceded it. The measure seemed to aim at the exclusion of Canadian farm products from the markets of the United States. The increases made included barley from 10 cents per bushel to 30 cents per bushel; cattle from 20 per cent. to \$10 per head; horses from 20 per cent. to \$30 per head, and when exceeding \$150 in value, 30 per cent.; malt from 20 cents to 45 cents per bushel; beans from free to 40 cents per bushel; hay from \$2 to \$4 per ton. The injurious influence of this measure upon the export of farm products to the United States is shown by the following table, giving exports of certain farm products for the fiscal year before the McKinley Bill went into operation, and for the year when it was superseded by the Wilson Bill:

EXPORT OF CERTAIN FARM PRODUCTS TO THE UNITED STATES.

	Year ending June 30, 1890.	Year ending June 30, 1895.
Horned cattle.....	\$ 104,623	\$ 19,216
Sheep .....	761,565	346,746
Poultry.....	105,612	36,574
Eggs.....	1,793,104	275,827
Barley.....	4,582,661	706,586
Split peas.....	74,205	5,616
Rye.....	113,320	5,493
Malt .....	149,310	4,470
Horses.....	1,887,895	510,765

\$9,572,295 \$1,911,293

Following the enactment of the McKinley Bill in 1890, came the Canadian general elections of 1891, which were held in March. The Liberal party had made the pledge to attempt to get a Reciprocity Treaty with the United States a lead-

ing issue in the contest, and the Conservative leaders deprived this party cry of nearly all its potency by asserting that the Government had actually entered upon Reciprocity negotiations. After the elections, in April, 1891, the Hon. Mackenzie Bowell, Hon. Geo. E. Foster and Sir Charles Tupper visited Washington, for the purpose of carrying out the Conservative election pledges, but did not succeed in inducing the President or Mr. Blaine, the American Secretary of State, to meet them and discuss the subject of their mission. It was asserted by their opponents that their reception was an ungracious one, and that President Harrison made no attempt to conceal his resentment at the part which the alleged Reciprocity negotiations had taken in the election.

In February, 1892, the Canadian Commissioners, Sir John Thompson, Hon. Geo. E. Foster, and Hon. Mackenzie Bowell, discussed the Reciprocity proposals with the American State Department. The Canadian and the American versions of the interviews which followed differ radically. The Canadian version of the matter, endorsed by Sir Julian Pauncefote, asserts that Mr. Blaine required that the two countries should have a uniform tariff as against the rest of the world. General J. W. Foster, who was present at all the interviews, and who succeeded Mr. Blaine as Secretary of State, explicitly denies this statement. Upon another important point both versions agree, namely, that the Canadian Commissioners refused to present propositions for reciprocal trade which extended beyond the limit of natural products, and that Mr. Blaine refused to consider propositions which did not include an agreed list of manufactures. The result was that all reference to reciprocity negotiations was dropped, and the Commission confined itself to the discussion of the wrecking regulations and other matters. One can scarcely avoid expressing regret that the Canadian Commissioners had not followed up the line of negotiations which Mr. Blaine invited, at least so far as to ascertain to what extent he would require the mutually free admission of manufactures as a solatium for the free admission of natural products into the markets of the United States. This fruitless mission gave rise to Opposition charges of insincerity on

the part of the Canadian Commissioners in making professions of a desire to obtain reciprocity, when the American Government had uniformly declared a treaty confined to the free exchange of natural products as impossible—the Canadian Government being well advised of the American position upon the matter. Whatever may be the truth as to motives, and the verdict as to whether the Canadian Commissioners should have gone beyond the limit of proposals that were certain to be rejected, one fact at least was clearly demonstrated—that it was a hopeless task to attempt to obtain a treaty confined to natural products.

The Wilson Tariff Bill, which went into effect in August, 1894, placed raw forest products, including planed lumber, upon the free list, and placed duties in the agricultural schedule back in most cases to the rates which had obtained before the passage of the McKinley Bill in 1890. The relief afforded by this measure to the agricultural interest of Canada was important, though the duties were still twenty per cent. *ad valorem* and upwards. Unfortunately the Canadian quarantine regulations for cattle were copied by the American authorities, and the result was that from the imposing of these regulations in 1894 to their removal in February, 1896, the American market was absolutely closed to our shippers of stock cattle.

At the time of the passage of the Wilson Bill, or during the time in which it was under consideration, had the Government at Ottawa been favourable to a Reciprocity treaty that would embrace a limited list of manufactures, an arrangement might have been negotiated with the Government of Mr. Cleveland, and its ratification by the Senate could probably have been obtained. When the Liberal party came into power in 1896, the opportunity was gone, for although the State Department under Mr. Olney was still favourable, the Senate had ceased to be in accord with the Administration.

At the moment of writing these lines the McKinley Administration has been installed for less than nine months. During that time the Dingley Bill has passed the House of Representatives and the United States Senate, and been signed by the President. This measure restores the bad features of the McKinley Bill as



regards Canadian agricultural interests, and is more unfavourable to Canada as relates to the lumber interest than the McKinley measure was. The provisions of the Bill have aroused deep resentment in Canada. The resentful feelings of Canadians are not unreasonable or without foundation. Not only is the Dingley Bill illiberal and unfriendly, but it is so gratuitously and without provocation. At the very moment when this declaration of commercial hostility towards us was made, an examination of our trade conditions will show that our policy towards the United States was a friendly and, indeed, a generous one. Let us examine these trade conditions, as revealed by the trade returns for the year 1896:

Total imports for consumption in 1896.....	\$110,587,480
Total exports, the produce of Canada.....	121,013,852
Total amount of duty collected.....	20,219,073
Imports from the United States for consumption in 1896.....	58,574,024
United States share of total imports.....	53 per cent.
Portion of United States imports for consumption on free list.....	29,472,378
Portion of United States imports for consumption, on dutiable list...	29,101,646
Amount of duty collected on imports from United States.....	7,767,992
Exports from Canada to the United States.....	44,448,410
Balance of trade in favour of United States.....	14,125,614
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Imports from Great Britain for the fiscal year 1896, entered for consumption.....	32,979,742
Imports from Great Britain for consumption, not dutiable.....	8,613,563
Imports from Great Britain for consumption, dutiable.....	24,366,179
Duty collected upon British imports.	7,358,574
Exports from Canada to Great Britain.....	66,690,288
Balance of trade in favour of Canada.	33,710,546
Imports entered for consumption from all countries except Great Britain and the United States..	19,033,714

Portion of same on free list.....	5,261,730
Portion of same, dutiable.....	13,771,934
Duty collected on same.....	5,093,507
Exports from Canada to all countries except Great Britain and the United States.....	9,875,154
Balance of trade against Canada....	9,158,560

Rate of duty on total amount of goods imported by Canada for consumption.....	18.28 Per cent.
Rate of duty on total amount of dutiable goods imported for consumption.....	30.06 "
Rate of duty upon entire amount of goods imported for consumption from United States.....	13.26 "
Rate on same from Great Britain....	22.31 "
Rate on same from all other countries.....	26.75 "
Rate of duty upon dutiable portion of goods entered from United States for consumption.....	26.35 "
Rate on same from Great Britain....	30.02 "
Rate on same from all other countries	36.97 "

By this statement it will be seen that over one-half of the imports from the United States were upon the free list, while only one-quarter of the imports from Great Britain were free in 1896. The duty upon the entire amount of imports from the United States was 9.05 less than from Great Britain, and 13.49 less than from the rest of the world. The duty upon the dutiable imports from the United States was also 3.67 less than on those from Great Britain, and 10.62 less than on those from the rest of the world.

The impression that obtains in the United States, that the trade in natural products between the two countries is confined to sales by Canada to the United States, is a mistaken one. In the year 1896, our exports of agricultural products, the produce of Canada, to the United States amounted to \$3,232,793. The same year, our import of agricultural products from the United States, entered for consumption, was \$3,271,629 on the dutiable list, and \$5,264,231 on the free list, a total of \$8,535,860, which included raw cotton and tobacco-leaf. The same year, our export to the United States of animals and their

products, the produce of Canada, amounted to \$3,341,275, while our imports of animals and their products from the United States, for consumption, amounted to \$851,005 on the dutiable list, and \$2,873,480 on the free list; a total of \$3,724,485, or an amount in excess of our export to the United States of \$383,210.

The above trade compilations need no comments. They prove that our trade policy towards the United States is relatively more favourable than is our policy towards any other country, and that it is eminently liberal and moderate; and the drastic provisions of the Dingley Bill stand out therefore in strong and most unfavourable contrast with this policy and its fruits. The Liberal party of Canada is pledged to make one more effort to obtain a Reciprocity treaty with the United States. Its leaders are fully alive to the advantages of a market so great and so near at hand. We desire the privileges of competing on equal terms with the American agricultural States for the supply of the millions congregated in towns and cities within easy reach of our fields. We believe that the result of this free competition will not to any considerable degree depress prices in the American markets, for if the American farmer does not compete with the Canadian farmer on this side of the Atlantic, he must do so in England. Our farmers, miners and lumbermen want access without restriction to the American market, not because we desire to depress prices in that country, but because we wish to raise prices in our own. We desire to share in the commercial activities of this continent. We are willing to meet our neighbours half way, or even more if necessary, and to give full compensation for all that we ask. If free trade is a good thing for the forty-four States of the American Union, we are certain that

the same general law will apply to the Canadian Provinces. We are tired of commercial hostility, and want an era of harmony, concord and commercial movements on a scale commensurate with our respective resources and capabilities. If the consummation of this desire is not secured, the fault will be none of ours, but will be due to the repulse of friendly and equitable overtures.

In such case, what shall we of the Liberal party do? We shall simply accept the situation with a determination to make the best of it. Regrets will be vain and useless. Courage and self-reliance will at least win a fair, if not a most satisfactory, degree of success. We will certainly feel ourselves bound to cease to practically discriminate against the Mother-land. If we cannot increase our exports to the United States, it will not be unnatural to seek to reduce the balance of trade against us by the reduction of American imports. We will seek in every possible way to develop and extend our export trade with England, and we will be impelled by every consideration of fair play and filial feeling to arrange a tariff that will permit the imports from England to wipe out, to the greatest practical extent, the balance of trade that we now score up against her. We shall look with more favour upon schemes for the consolidation of a world-wide empire, and will be ready and anxious to meet any discrimination that England may be induced to make in favour of Colonial products by discriminations as generous in favour of British imports. The parting of the way is just before us; we have a preference as to which road we shall take; but if access is denied us, we will enter upon the other with high resolve to make it the road to victory over all the obstacles that may confront us.

**The Hon. Peter Mitchell, Minister of Marine and Fisheries**, in a document published in the Sessional Papers, Vol. XVIII., No. 13, 1885, and dated 4th of July, 1870, gives a valuable review of Canadian fiscal relations with the United States:

"This Government, prior to the meeting of the last Parliament, ceased to entertain the hopes expressed by my Lord Granville, and felt it to be their duty to deal with the great resources of this country quite irrespective of what might or might not be hoped for from the United States. This was clearly indicated in a Report of the undersigned of the 11th December last, approved by Council, in dealing with a despatch of my Lord Granville, covering two Memoranda from the Board of Trade, upon the subject of the Colonial Coasting Trade, in which, while regretting the necessity of declining to act upon the suggestions of Her Majesty's Government by throwing open their coasting trade to the United States as Great Britain had done, while they continued to close theirs against us, the subject was treated entered into at length, and a policy outlined which has met with the approval of Parliament and the public sentiment of this country. The following is an extract from such Report:

"The experience of these twenty years has, in the opinion of the undersigned, proved to the people of Canada that concessions in matters of trade, navigation and shipping, voluntarily conceded by us, have not been reciprocated in by the Government of the United States, and, indeed, have not always been appreciated, nor the value of them realized. The United States Government put an end, in 1866, after an existence of eleven years, to the Reciprocity Treaty which was of such great value as well to them as to the several British-American Provinces. They refused to renew or re-construct it, except on terms which were not to be defended in the interests of our trade; and though the undersigned, in common with a considerable portion of the public of Canada, was led to believe, from the utterances of their press and commercial centres of trade for the last two years, as well as the expressed opinions of some of the leading public men, that public sentiment was changing in favour of "new arrangements," whereby trade relations would be again re-established on principles of reciprocal free trade, these expectations have been dispelled, and the existence of such opinions to any great extent in the Cabinet of the United States has been negatived by the message of the President, in which he distinctively states: "that the renewal of the Treaty with us has not

been favourably considered by the Administration," while he expresses a belief "that the advantages of such a Treaty are wholly in favour of the British Provinces, except, possibly, a few engaged in the trade between the two sections." He distinctively states that "no citizen of the United States would be benefitted by Reciprocity," and yet gives expression to the opinion that "some arrangements for the regulation of commercial intercourse may be desirable," and the recent action of Congress would tend to confirm the belief that no reciprocal arrangement of a satisfactory character can now be obtained.

The undersigned would observe that there are numerous arguments which can be adduced from an American point of view in favour of the position assumed by their Chief Magistrate against the renewal of the Treaty, and that while England has pursued a most liberal course towards foreign nations in relation to trade and navigation, and has offered the fullest opportunities for foreign competition, the argument which has done much to remove objections to such a policy in Canada has been the belief, repeatedly expressed by English statesmen, that those foreign countries which enjoyed the benefits of that liberal policy and that free trade would in time reciprocate; and such expectations have not been without their results in Europe. In America, however, no such results have followed the liberality of England, although a generation of our people have already passed away; and indeed national events have tended to make the adoption of such a policy on the part of the United States much more difficult; and while we go on making concessions, permitting them to have privileges, and giving them facilities which they decline to reciprocate; while, in fact, they possess the right of registry for their ships in our ports, and have practically enjoyed our coasting trade, and at the same time refused us similar privileges; while they have had the benefit of our canals and rivers, without corresponding concessions on their part, they have compelled our ships to pay a war tax of 30 cents gold per ton and other Customs fees, without any such corresponding charges in our ports upon their ships (notwithstanding the 173rd section of the Imperial Act, 16 and 17 Vic., chap. 107, to which I have referred in the Minute of Council annexed, we have not retaliated).

Our fisheries, too, they have had open to them on the most liberal terms, while British-caught fish is met with a duty which has closed their country as a market for our fishermen, and indeed they have made their tariff in general almost prohibitory; and while their legislation tends towards exclusion, the construction they put upon their tariff laws, and their execution of them, bear most heavily upon our people. Under these circum-

stances, the undersigned regrets that he should, in viewing the past, arrive at conclusions different from those which seem to be entertained by the Board of Trade, viz., that a continuance of the policy of concession would, with that foreign nation in whose trade we are chiefly interested, lead to the result hoped for, and secure a "reciprocal liberality of treatment"; and he thinks it would be unwise to force it on them, unasked, at the present time. He is of opinion that the true policy of the Canadian Government at present should be to retain all the privileges which it now possesses, until fresh negotiations take place for new trade relations between Canada and the United States, when the opening of the whole coasting trade of the Dominion to United States shipping can be included in any arrangements which may be made, if the Canadian Government should then be of opinion that it would be advisable and in the interest of Canada to do so."

**On February 3rd, 1871, the Hon. George S. Boutwell, United States Secretary of the Treasury, submitted to Congress the Report of Mr. J. N. Larned, who had been appointed Special Agent under a joint resolution of Congress—approved June 23rd, 1870—"to inquire into the extent and state of the trade between the United States and the several Dependencies of Great Britain in North America."**

The document is a long and important one, and certain quotations from it will reveal the nature of the trade carried on and the American view of the Reciprocal arrangement. It also

shows the strong belief there entertained as to Canadian dependence upon the Republic. Mr. Larned gives the following statement of values in a few of the principal articles imported into "old Canada" from the United States during certain years:

Articles.	1864-65	1867-68	1868-69	1869-70
Coal.....	\$ 544,511	\$ 791,998	\$ 795,377	\$ 864,500
Cotton, wool.....	88,786	213,194	295,166	353,584
Flax, hemp and tow, manufact'd.	120,897	147,866	153,963	165,105
Flour.....	690,124	94,444	634,592	159,805
Grain, all kinds...	3,584,405	3,604,998	4,675,165	4,413,825
Hides, horns and pelts.....	265,000	1,071,999	750,749	1,000,989
Indian meal and oatmeal.....	36,622	47,865	40,524	14,937
Meat, all kinds..	876,968	230,332	519,991	440,702
Tobacco, unsm'd.	277,007	450,288	800,963	722,432
Wool.....	174,071	253,736	426,288	400,983

He then goes on to say that "The return trade, or what we have chiefly bought from the Provinces, can be exhibited more comprehensively, in history at least, as will be seen in the table following, which shows the values of the leading articles imported into the United States from all the British Possessions in North America during a series of years. The series cannot be made as complete as I should wish, for the reason that articles imported under the Reciprocity Treaty were not discriminated for several years in the official trade records of this Government." The table is as follows:

CHIEF IMPORTS INTO THE UNITED STATES FROM BRITISH NORTH AMERICA.

Articles.	1854	1855	1863	1865	1867	1869
Wood and manufactures of						
Wood (except cabinet wood)	\$753,169	\$820,959	\$3,203,906	\$4,887,589	\$6,431,058	\$7,170,339
Animals, living.....	73,821	42,126	1,351,173	5,503,318	1,902,960	3,471,580
Wheat.....	2,069,070	1,441,397	1,050,803	1,694,916	3,262,859	1,673,629
Flour.....	1,792,789	1,849,109	2,137,610	1,970,348	1,765,285	446,003
Barley.....	5,569	90,822	1,524,221	4,093,202	2,012,547	4,624,320
Oats.....	37,108	19,075	1,418,723	2,216,722	257,085	143,190
Rye.....	202	32,601	12,577	72,999	149,361	157,731
Products of fisheries.....	1,004,468	833,361	736,549	2,213,384	2,054,646	1,505,209
Coal.....	254,774	243,784	757,094	1,223,981	925,447	758,588
Provisions and tallow.....	4,431	4,038	150,782	851,344	84,500	1,429,349
Butter.....	126,811	84,773	326,634	668,917	648,102	.....
Wool, raw and fleece.....	69,080	13,890	781,867	1,527,275	201,083	715,369
Hides and skins.....	34,729	38,592	137,113	228,090	81,805	435,507
Potatoes.....	88,405	129,076	147,380	.....	62,238	42,045
Furs and Fur Skins.....	13,920	5,977	143,133	214,622	133,403	239,104
Gypsum, unground.....	106,114	107,136	25,882	61,439	94,900	133,310
Pig Iron.....	110,840	109,882	.....	86,320	204,345	381,192
Ashes.....	.....	.....	460,026	415,398	167,207	45,569
Coin and bullion.....	142,602	18,445	6,536,468	4,044,065	8,560,173	2,796,548

The Report concludes with an interesting view of the situation—from an American standpoint:

"In every commercial respect the dependence of the Provinces of the Dominion of Canada—especially of the old Canadian Provinces—upon the United States, is almost absolute. To say so is not to make an arrogant boast, but to state a simple fact. Restricted as the intercourse between the Canadas and this country unhappily is now, they derive from it almost wholly the life which animates their industry and their enterprise. The railroad system which gives them a circulation of energies, and by which their resources are being developed, is the offspring of the East and West traffic of the United States. Its trunk lines are supported, and were made possible undertakings, by the carrying business that they command from point to point of the American frontier, across intervening Canadian territory. American commerce instigated the building of the Welland and St. Lawrence canals, and furnishes the compensation for the cost of both. American commerce is the instigator to, and the guarantor for, every similar enterprise that is now contemplated in the Provinces."

The fact that British capital and Canadian energies created these railways and canals, and that American tariffs and legislation have done everything possible to restrict and cramp Canadian development to the South, does not seem to have occurred to Mr. Larned.

**The Commission seeking Reciprocity in 1874** from the United States was made up of Sir Edward Thornton, British Ambassador at Washington, and the Hon. George Brown, the special representative of Canada. The following is the most important part of an official communication submitted to Mr. Hamilton Fish, the United States Secretary of State, on April 27th, 1874, and signed by the two British Commissioners:

"In the interview which we had the honour to be favoured with by you at the State Department on the 8th of March, we stated to you that Her Majesty's Government was prepared to accept a renewal of the Reciprocity Treaty of 1854, as a substitute for the arbitration provision of the Washington Treaty, in reference to the Canadian Coast Fisheries.

You thereupon suggested an enlargement of the scope of the Treaty, and we asked in what manner you would propose to enlarge it.

You replied that you had no proposition to make, but that you suggested, as topics for discussion, the enlargement of the Canadian canals, so as to facilitate the transportation of the products of the great Western States to the Atlantic seaboard; and also the addition of certain classes of manufactures to the free list of the old Treaty.

We then stated that we were prepared to enter into an agreement for the enlargement of the Canadian canals.

In regard to the addition of certain classes of manufactures to the free list under the old Treaty, we reminded you that the revenue of the Canadian Dominion was largely obtained from a fifteen-per-cent. *ad valorem* duty on manufactured goods, and that any articles made free in Canada under agreement with any foreign country must be made free to Great Britain. But we added that the Government of Canada was desirous to afford every facility for the encouragement of extended commercial relations between the Republic and the Dominion, in the belief that nothing could tend more to their mutual advantage, not only in a pecuniary sense, but as tending to foster and strengthen those friendly feelings that ought eminently to prevail between two peoples mainly derived from the same origin, speaking the same language, and occupying the geographic position towards each other of the United States and Canada. We conveyed to you the assurance of the Canadian Government, that, acting in this spirit, and in the confidence that we would be met in the same spirit by the Government of the Republic, the assent of Canada will be heartily given to any measure calculated to promote the free and fair interchange of commodities, to reduce the cost of transportation, or conduce to the joint advantage of the two countries, so that it be not seriously prejudicial to existing industrial interests of the Canadian people.

In the spirit of this assurance, we invited you to suggest for discussion the classes of manufactures that you would desire to have embraced in the new treaty. This you declined to do; but you urged that we should indicate the enlarge-

ments of the old Treaty likely to be acceptable to both countries. Without acquiescing in the propriety of this course, we yielded to your wishes, and now proceed to fulfil our promise to do so.

We propose that the new Treaty shall be for the term of twenty-one years, to inspire confidence among business men investing their capital in such extensive enterprises as would naturally follow from the completion of a comprehensive treaty.

We propose that the Treaty shall provide for the free admission into the United States, the Dominion of Canada and the Island of Newfoundland, of the following articles, as under the Treaty of 1854 :

Animals of all kinds, butter, cheese, eggs, furs undressed, hides undressed, horns, lard, meats, fresh, smoked or salted, pelts, poultry, skins undressed, tails undressed, tallow, wool.

Breadstuffs of all kinds, broom-corn, cotton-wool, flax unmanufactured, flour of all kinds, fruits dried and undried, grain of all kinds, hemp unmanufactured, plants, rice, seeds, shrubs, tobacco unmanufactured, tow unmanufactured, trees, vegetables.

Ashes, bark, firewood, lumber of all kinds, round, hewed or sawed, unmanufactured in whole or in part, pitch, tar, timber of all kinds, round, hewed or sawed, unmanufactured in whole or in part, turpentine.

Burr or grindstones, hewn, wrought or unwrought, coal, gypsum, ground or unground, marble in its crude or unwrought state, ores of all kinds of metals, slate, stone in its crude or unwrought state.

Fish of all kinds, fish, products of, and of all other creatures living in the water, fish-oil, dye-stuffs, manures, rags.

We propose the following additions to the above list of free articles :

Agricultural implements, to be defined, bark, extracts of, for tanning purposes, bath bricks, bricks for building purposes, earth orchres, ground or unground, hay, lime, malt, manufactures of iron and steel, manufactures of iron or steel and wood jointly, manufactures of wood, minerals and other oils, plaster, raw or calcined, salt, straw, stone, marble or granite, partly or wholly cut or wrought.

We propose that the enjoyment of the Canadian coast fisheries shall be conceded to the United States during the continuance of the new Treaty, in the manner and on the conditions provided under the Washington Treaty, except those in regard to the payment of money compensation for the privilege.

We propose that, during the continuance of the Treaty, the coasting trade of Canada and the United States shall be thrown open to the vessels of both countries on a footing of complete reciprocal equality.

We propose that the Canadian canals, from Lake Erie to Montreal, be enlarged forthwith at the expense of Canada, so as to admit of the passage of vessels 260 feet in length, with 45 feet beam, with a depth equal to the capacity of the lake harbours.

We propose that, during the continuance of the Treaty, all the Canadian canals and the Erie, Whitehall, Sault Ste Marie, and Lake St. Clair canals, in the United States, shall be thrown open to the vessels, boats and barges of both countries on the same terms and conditions to the citizens of both countries ; and that full power be given to tranship cargo from ships or steamers into canal-boats at any canal entrance, and also to tranship boats into ships or steamers at any canal outlet.

The free navigation of the St. Lawrence river having been conceded forever by Great Britain to the United State under the Washington Treaty, but the free navigation of Lake Michigan having been conceded for ten years only by the United States to Great Britain under the same Treaty, we propose that both concessions be placed on the same footing, free from restrictions as to reporting at any port in the United States other than the port of destination.

We propose that, during the continuance of the Treaty, vessels of all kinds built in the United States or Canada may be owned and sailed by the citizens of the other, and be entitled to registry in either country, and to all the benefits thereto pertaining.

We propose that a Joint Commission shall be formed, and continued during the operation of the Treaty, for deepening and maintaining in thoroughly efficient condition the navigation of the rivers St. Clair and Detroit, and Lake St.



Clair, on whichever side of the river the best channel shall be found; the expense to be defrayed jointly by the contracting parties, by contributions corresponding to the commerce carried on in these waters by them respectively.

We propose that a Joint Commission shall be formed, at joint expense, and maintained during the operation of the new Treaty, for securing the erection and proper regulation of all light-houses on the great lakes common to both countries, necessary to the security of the shipping thereon.

We propose that a Joint Commission shall be formed, at joint expense, and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries, and to enforce the laws enacted for the protection of the fish and fishing grounds.

We propose that citizens of either country shall be entitled, during the continuance of the Treaty, to take out Letters Patent for new discoveries in the other country, on the same footing as if they had been citizens of that country.

We propose that the best method of discountenancing and punishing illicit trade between the countries shall be the subject of consideration and co-operation by the Customs Authorities of the two countries.

That in case a Treaty of Commercial Reciprocity should not have been concluded before the end of the present session of Congress, the right of adjudication of the claim of Canada to compensation for the fisheries, under Articles XXII. to XXV. of the Treaty of Washington, would in no degree be waived, and that in that event the fulfilment of the stipulation contained in those articles would be immediately proceeded with."

It is hardly necessary to say that, while the discussion dragged along for months upon this basis, nothing came of it. Neither President Grant, Mr. Fish, nor the American Congress desired any kind of Reciprocity which Canada could accept—as Mr. Brown's correspondence in his Memoirs by the Hon. Alexander Mackenzie fully indicate.

**The transportation advantages of the United States** in connection with the Elgin Reciprocity Treaty were very great. Sir Edward Thornton and the Hon. George Brown state certain facts

and draw certain inferences from them in their Memorandum of 1874. They declared that:

"The transportation traffic sent to and brought from foreign countries by the Provinces, in bond, over the railways and canals, and in the ocean ships and steamers trading from the United States ports, rose under the operation of the Treaty to an importance secondary only to the traffic in domestic productions. Previous to the negotiation of the Treaty this traffic had assumed considerable dimensions, but the vast increase that occurred under its operation must have drawn very large gains into the coffers of the Republic, and indirect advantages quite as valuable as the direct ones. No official returns of the goods which thus passed over the United States seem to have been preserved until the fiscal year 1867-68; but from the returns since published we can form some idea of the great profit that must have accrued to the Republic while the Treaty was in force. These returns thus state the values of the foreign exports that passed over the United States *in transitu* during the past six years:

#### TOTAL UNITED STATES TRANSIT TRAFFIC

1868 .....	\$21,515,604
1869.....	21,095,984
1870.....	23,191,860
1871.....	25,375,037
1872.....	31,385,320
1873.....	40,099,185

Total transit traffic..\$162,662,990

Of this vast traffic, \$115,241,704 consisted of merchandise imported by the Provinces from other countries and carried over United States railways and canals into Canada, and \$48,556,557 of it consisted of produce exported abroad from the Provinces via the United States. The fact that these two amounts appear to make unitedly more than the whole aggregate of the United States transit trade, arises from the shipments made from one part of Canada to another, and consequently appearing in the list of goods going into the United States, as well as in that of goods sent out from the United States. Nearly the whole of the traffic *in transitu* of the Republic in these six years was either sent from or sent to the British Provinces. And from its volume in these recent years,



we may form some idea of its great extent under the operation of the Treaty, when Colonial facilities for transportation were so different from what they now are."

The following document, published in the Sessional papers—Volume VI., 1873—illustrates the situation which led up to the despatch of the Hon. George Brown to Washington in 1874. It is addressed to the Governor-General-in-Council as follows :

"The Memorial of the Dominion Board of Trade most respectfully sheweth :

That under the operation of the Reciprocity Treaty, which was entered into in 1854 by the Government of Great Britain and the United States, for the purpose of furthering and enlarging trade relations between the United States and the Provinces of British North America, the commerce and general prosperity of Canada was greatly promoted and increased; said Treaty being also of great value to the commercial interests of the United States.

That, at the instance of the Government of the United States, formal notice was given, in the year 1865, for the abrogation of said Reciprocity Treaty, which was thereupon abrogated in the year 1866; that notwithstanding the abrogation of said Treaty, the trade of Canada with the United States has continued to increase; and that it is confidently believed that if a new Reciprocity Treaty on an enlarged, liberal and equitable basis were negotiated on behalf of the Dominion of Canada with the United States, there would be a still further and very much larger augmentation of the volume of trade between the two countries; and that with this view, the business men and commercial organizations of both countries have been, and are, giving the question of reciprocal trade relations their most earnest consideration. That at the fifth annual meeting of the United States National Board of Trade, held in the City of New York in October, 1872, a Resolution was adopted with great unanimity as follows :

"That the Executive Council be instructed to memorialize Congress to make an appropriation for the appointment of a Commission to act in conjunction with the State Department, in negotiating a Treaty with Great Britain for reci-

procal trade with the Dominion of Canada on a broad, comprehensive and liberal basis, which shall also include the enlargement of the Canadian canals by the Government of Canada, and the right of American vessels to navigate the said canals under the same conditions as are imposed upon Canadian vessels."

That at the third annual general meeting of the Dominion Board of Trade, held in the City of Ottawa, in January of the present year, a Resolution was unanimously adopted as follows :

"That the Executive Council be instructed to memorialize the Government of the Dominion in favour of the appointment of a Commission to act with that of the United States, should one be named, or to take such other means, as shall best respond to any action on their part, to carry out a Treaty of Reciprocity in trade with the United States."

Wherefore your memorialists do very respectfully represent to Your Excellency-in-Council their most earnest and cordial desire, that you will be pleased to consider the important question of initiating some system of Reciprocal Trade between the two countries that will give effect to the views herein set forth; and your memorialists beg further to express the hope that Your Excellency-in-Council will be pleased to make such representations to the Imperial Government as will procure the appointment of a Commission to meet and confer with a similar Commission on the part of the Government of the United States (if such Commission has been or shall be appointed), for the purpose of framing and negotiating such a Treaty of Reciprocal Trade as will be for the mutual advantage and benefit of the trade and commerce of the Dominion of Canada, and of the United States.

Signed in name and on behalf of the Dominion Board of Trade, Montreal, Feb. 18th, 1873. HENRY FRY, President. WM. J. PATTERSON, Secretary."

The following were the Customs duties levied on leading Canadian products by the McKinley tariff of 1890, together with the duties levied by the previous United States tariff of 1883. They illustrate the distinct nature of the legislation against Canadian competition in agricultural products along the frontier, and reveal one of the causes for Mr. Blaine's position in the negotiations of 1892:

	Tariff of 1883.	McKinley Tariff.
Barley...	10 cents	30 cents per bush.
Eggs.....	Free	5 cents per dozen
Horses valued under \$150...	20 % <i>ad val.</i>	\$30.00 per head
Horses, valued at \$150 and over.....	" "	30 per cent.
Cattle, over a year old.....	" "	\$10.00 per head
Cattle, a year old or less.....	" "	2 00 "
Sheep, one year old or more.....	" "	1.50 "
Sheep, less than a year old.....	" "	75 "
Hogs.....	" "	1.50 "
Butter.....	4 cents per lb.	6 cents per lb.
Beans.....	10 % <i>ad val.</i>	40 cents per bush.
Hay.....	\$2.00 per ton	\$4.00 per ton.
Hops.....	8 cents per lb.	15 cents per lb.
Potatoes.....	15 cents per bush.	25 cents per bush.
Poultry, live.....	10 % <i>ad val.</i> per lb.	3 cents per lb.
" dressed.....	" "	5 " "
Onions.....	" "	per bush. 40 cents per bush.
Ties and telegraph poles of cedar.....	Free	20 per cent. <i>ad val.</i>
Sawn pine lumber.....	\$2.00 per 1,000 ft.	\$1.00 per 1,000 ft.
Iron ore.....	75 cents per ton	75 cents per ton.
Wool, Canada long or combing.....	10 to 11 cts. per lb.	12 cents per lb.
Flax, not hackled or dressed.....	\$20.00 per ton	\$20.00 per ton.
Barley, malt.....	20 cents per bush.	45 cents per bush.
Peas.....	10 per cent. <i>ad val.</i>	40 cents per bush.

The movement for closer trade relations with the United States has taken various forms in Canada since Confederation, and some of them are mirrored in the resolutions and debates of the House of Commons. On March 16th, 1870, the Hon. L. S. Huntingdon, afterwards a member of the Liberal Government of Mr. Mackenzie, introduced the following much discussed Resolution:

"That an humble address be presented to His Excellency the Governor-General representing: 'That the increasing population and productions of this Dominion demand more extensive markets and a more unrestricted interchange of commodities with other countries.'

That a Continental system of commercial intercourse, or other commercial arrangements bringing under one general Customs union with this Dominion the countries chiefly interested in its trade, would tend to expand our commerce, develop its resources and multiply our productions.

That such a system should place in a position of commercial equality and reciprocity all the countries becoming parties thereto.

That a great advantage would result from placing the Government of this Dominion in direct communication with the several States which

might be willing to negotiate for such commercial arrangements.

That it is expedient to obtain from the Imperial Government all necessary powers to enable the Government of the Dominion to enter into direct communication with such foreign States as might be disposed, upon terms advantageous to Canada, to negotiate such commercial regulations.

That in all cases the treaties creating such proposed commercial arrangements shall be subject to the approval of Her Majesty."

On the 21st of March the Hon. Sir A. T. Galt moved the following amendment:

"That all the words after 'that' be left out, and the following added: 'An Address be presented to His Excellency the Governor-General, representing that the increasing population and productions of the Dominion demand more extensive markets and a more unrestricted interchange of commodities with other countries. That great advantage would result from placing the Government of the Dominion in direct communication with all British Possessions and Foreign States which might be willing to negotiate for commercial arrangements tending to this result. That it is expedient to obtain from the Imperial Government all necessary powers to enable the Government of the Dominion to enter into direct communication for such purpose with each British Possession and Foreign State. That in all cases such proposed commercial arrangements should be subject to the approval of Her Majesty.'"

Mr. Mackenzie supported this amendment, and the main motion was defended by Mr. (afterwards Sir) A. A. Dorion. The Conservatives were not satisfied with either of them, however, and speeches were made in disapproval by Sir George Cartier, Sir Francis Hincks, Mr. (afterwards Sir) A. J. Smith, the Hon. Joseph Howe, the Hon. Dr. (now Sir Charles) Tupper, and others. Finally the following amendment to the original motion was proposed by Sir John A. Macdonald and carried by 100 votes to 58, with the characteristic remark from the Premier that it would "put a *quietus* upon Zollverein, Customs Unions, free-trade, and the right to declare peace and war."

"That all after the word 'Resolved' in the main resolution be struck out, and the following substituted: 'That this House, while desirous of

obtaining for the Dominion the freest access to the markets of the world, and thus augmenting and extending its prosperity, is satisfied that this object can be best obtained by the concurrent action of the Imperial and Canadian Governments, and that any attempt to enter into a treaty with a foreign Power, without the strong and direct support of the Mother-Country, as the principal party, must fail, and that a Customs Union with the United States, now so heavily taxed, would be unfair to the Empire and injurious to the Dominion, and weaken the ties now so happily existing between them.' "

For various reasons, into which it is unnecessary to enter here, the question of Reciprocal trade with the United States was not greatly pressed upon public attention during the ensuing decade. But in the early Eighties a movement once more commenced in that direction, and was voiced by the Hon. (now Sir) L. H. Davies in the following motion presented to the House of Commons on March 28th, 1884, and seconded by Mr. John Charlton :

" That in view of the notice of the termination of the Fisheries Articles of the Treaty of Washington, given by the United States to the British Government, and the consequent expiration on the 1st of July, 1885, of the reciprocal privileges and extensions of that Treaty, this House is of opinion that steps should be taken at an early day by the Government of Canada, with the object of bringing about negotiations for a new Treaty providing for the citizens of Canada and the United States the reciprocal privileges of fishing and freedom from duties, now enjoyed, together with additional reciprocal freedom in the trade relations of the two countries ; and that in any such negotiations Canada should be directly represented by some one nominated by its Government "

This was defeated by 95 to 58 votes. In the following year, however, on April 10th, Mr. Davies again presented a similar Resolution in the following words, and was beaten by a similar vote of 105 to 60 :

" I move in amendment to the motion now before the House that all the words after the word 'that' to the end of the question be left out, and the following inserted instead thereof: 'In view of the early termination of the Fisheries Articles

of the Treaty of Washington, this House is of opinion that negotiations should be opened with the United States of America, as well for the renewal of reciprocal privileges accorded by that Treaty to American citizens and British subjects, respectively, as for the opening up of additional reciprocal trade relations between Canada and the United States ; and that in the conduct of such negotiations Canada should be directly represented.' "

By the year 1888 questions of Reciprocity and Commercial Union had been widely discussed in the country, and on March 14th, Sir Richard Cartwright presented the following motion to the House of Commons :

" That it is highly desirable that the largest possible freedom of commercial intercourse should obtain between the Dominion of Canada and the United States, and that it is expedient that all articles manufactured in, or the natural products of either of the said countries, should be admitted free of duty into the ports of the other (articles subject to duties of excise or of internal revenue alone excepted). That it is further expedient that the Government of the Dominion should take steps at an early date to ascertain on what terms and conditions arrangements can be effected with the United States for the purpose of securing full and unrestricted reciprocity of trade therewith."

The Government opposed the motion, and on April 9th, after a prolonged debate, the Hon. G. E. Foster, Minister of Finance, introduced an amendment to the following effect, which was carried upon a party division of 124 to 67 :

" That Canada in the future, as in the past, is desirous of cultivating and extending trade relations with the United States in so far as they may not conflict with the policy of fostering the various industries and interests of the Dominion which was adopted in 1879, and which has since received in so marked a manner the sanction and approval of the people."

The following amendment to Mr. Foster's amendment, proposed by the Hon. A. G. Jones, of Halifax, was lost by the same vote reversed :

" That in any arrangement between Canada and the United States providing for the importation into each country of the natural and manu-

factured productions of the other, it is highly desirable that it should be provided that during the continuance of any such arrangement the coasting trade of Canada and of the United States should be thrown open to vessels of both countries on a footing of complete reciprocal equality, and that vessels of all kinds built in the United States or Canada may be owned and sailed by the citizens of the other and be entitled to registry in either country and to all the benefits thereto appertaining."

During the succeeding Session—March 5th, 1889—Sir Richard Cartwright presented another motion as follows, which was, however, defeated by 121 to 77:

"I beg to move in amendment that you do not leave the Chair, but that all the words after 'that' be struck out, and that it be resolved: 'In the present condition of affairs, and in view of the recent action of the House of Representatives of the United States, it is expedient that steps should be taken to ascertain on what terms and conditions arrangements can be effected with the United States for the purpose of securing full and unrestricted reciprocity of trade therewith.'"

On June 23rd, 1891, Sir Richard moved that it be:

"Resolved—That the situation of the country requires that the Government should forthwith reduce all duties on articles of prime necessity, and more particularly on those most generally consumed by artisans, miners, fishermen and farmers; and, further, that the negotiations which the House has been informed are to open at Washington in October next should be conducted upon the basis of the most extended reciprocal freedom of trade between Canada and the United States, in manufactured as well as natural products."

This was lost by 114 to 88. Two years later, on February 16th, 1893, the same leader once more asked the House to declare: "That the present Customs Tariff bears heavily and unjustly upon the great consuming classes of the Dominion and should be at once thoroughly reformed in the direction of freer trade, and that the amount of taxes collected be limited to the sum required to meet the necessities of the Government, efficiently and economically administered."

This was defeated by 126 to 72 votes, and in the following year, on March 28th, Sir Richard Cartwright introduced the last of his series of historic resolutions by the following, which, however, was defeated by almost the same majority of 126 to 72:

"That while recognizing in the reductions proposed an admission to that extent of the evils inflicted upon the people by the system of high protective duties, the House is nevertheless of the opinion that the amendments suggested, being based upon the principle of protection and not solely upon the requirements of public service, are inadequate to afford satisfactory relief from the burdens of excessive and unfair taxation. That the highest interests of Canada demand the adoption of a sound fiscal policy which, while not doing injustice to any class, will promote domestic and foreign trade and hasten the return of prosperity to our people; that, to that end, the tariff should be reduced to the needs of honest, economical and efficient government, should have eliminated from it the principle of protection to particular industries at the expense of the community at large and should be imposed for revenue only; that it should be so adjusted as to make free, or bear as lightly as possible upon, the necessities of life, and to promote freer trade with the whole world, particularly with Great Britain and the United States."

**Intimately connected with the question of Unrestricted Reciprocity with the United States,** was that of the right to make treaties in which Canada would have the power to arrange tariff discriminations as she liked. Hence the following motion by Sir Richard Cartwright in the House of Commons on February 18th, 1889, rejected after prolonged discussion by a vote of 94 to 66:

"1. That it has been a matter of extreme importance to the well-being of the people of this Dominion that the Government and Parliament of Canada should acquire the power of negotiating commercial treaties with foreign States.

2. That an humble address be presented to Her Majesty, praying that she will empower Her Representative, the Governor-General of Canada, acting by and with the advice of the Queen's Privy Council for Canada, to enter, by an agent or representative of Canada, into direct communication with any foreign State for the purpose of negotiating commercial arrangements tending to

the advantage of Canada, subject to the prior consent or subsequent approval of the Parliament of Canada, signified by Act."

Mr. D'Alton McCarthy moved a somewhat similar resolution in the House of Commons on May 2nd, 1892, and one which had a most intimate connection with the question of trade relations between Canada and the United States. It was as follows:

"That, in the opinion of this House, in view of the vast commercial interests existing between the United States of America and Canada, and of the political questions from time to time requiring adjustment between the Dominion and the neighbouring Republic, it would tend to the advancement of those interests and the promotion of a better understanding between the two countries were a representative appointed by the Government of the Dominion, subject to the approval of Her Majesty's Imperial advisers, and attached to the staff of Her Majesty's Minister at Washington, specially charged to watch, guard and represent the interests of Canada."

This was withdrawn after a non-political discussion, in which the Hon. G. E. Foster mildly opposed the motion, while the Hon. Wilfrid Laurier, Mr. George E. Casey, Mr. R. C. Weldon, the Hon. L. H. Davies, Mr. G. R. R. Cockburn, the Hon. David Mills, Mr. Alex. McNeill and Sir John Thompson either favoured it or refused to oppose the principle which it embodied.

**An Inter-Provincial Conference** was held on October 20 to 28th, 1887, in the ancient city of Quebec, presided over by the Hon. (afterwards Sir) Oliver Mowat, Prime Minister of Ontario, and attended by members of the Governments of all the Provinces except Prince Edward Island and British Columbia. The following were the representatives present:

Hon. Honore Mercier, Prime Minister of Quebec.

Hon. W. S. Fielding, Prime Minister of Nova Scotia.

Hon. Andrew G. Blair, Prime Minister of New Brunswick.

Hon. John Norquay, Prime Minister of Manitoba.

Hon. C. F. Fraser, Commissioner of Public Works in Ontario.

Hon. A. S. Hardy, Provincial Secretary in Ontario.

Hon. A. M. Ross, Treasurer of Ontario.

Hon. Geo. W. Ross, Minister of Education in Ontario.

Hon. David A. Ross, Executive Councillor of Quebec.

Hon. Arthur Turcotte, Executive Councillor of Quebec.

Hon. Joseph Shehyn, Provincial Treasurer of Quebec.

Hon. Charles A. E. Gagnon, Provincial Secretary and Registrar of Quebec.

Hon. J. McShane, Commissioner of Agriculture and Public Works in Quebec.

Hon. Geo. Duhamel, Solicitor-General of Quebec.

Hon. F. G. Marchand, Speaker of the Legislative Assembly of Quebec.

Hon. J. W. Longley, Attorney-General of Nova Scotia.

Hon. A. McGillivray, Executive Councillor of Nova Scotia.

Hon. David McLennan, Provincial Secretary of New Brunswick.

Hon. C. E. Hamilton, Attorney-General of Manitoba.

The following Resolution in favour of Unrestricted Reciprocity was unanimously adopted:

"That, having reference to the agitation on the subject of the trade relations between the Dominion and the United States, this Inter-Provincial Conference, consisting of representatives of all political parties, desires to record its opinion that Unrestricted Reciprocity would be of advantage to all the Provinces of the Dominion; that this Conference and the people it represents cherish fervent loyalty to Her Majesty the Queen and warm attachment to British connection; and that this Conference is of opinion that a fair measure providing, under proper conditions, for Unrestricted Reciprocal trade relations between the Dominion and the United States, would not lessen these sentiments on the part of our people; and on the contrary may even serve to increase them, and would, at the same time, in connection with an adjustment of the Fishery dispute, tend to happily settle grave difficulties which have from time to time arisen between the Mother Country and the United States."

**The Hon. Edward Blake** in his famous address to the electors of West Durham—February 11th, 1891—dealt with Unrestricted Reciprocity as follows:

"Unrestricted free trade with the United States, secured for a long term of years, would (even though accompanied by higher duties against the rest of the world than I, for one, admire) give us in practice the great blessing of a measure of free trade, much larger than we now enjoy or can otherwise attain; it would greatly advance our most material interests, and help our natural, our largest, most substantial and most promising industries; it would create an influx of population and capital, and promote a rapid development of forces and materials now almost unused; in three words, it would give us men, money and markets.

Thus it would emphatically be for the general and lasting good. And this, although of course it would produce, as all great changes do, temporary derangement of business and local losses, would strike hard some spindling and exotic industries, wholly tariff-born, tariff-bred and tariff-fed, and would put upon their mettle a good many manufacturers unaccustomed to the keen breath of competition, and others who would be obliged to adopt the specialization and the improved methods of production and distribution, which, to the signal advantage of the general consuming public, a large market allows and demands. Assuming consent on the part of the States, our financial difficulty is to be considered. Obviously, any practicable plan involves differential duties against the United Kingdom and the rest of the world. But even with such duties, the gaps in our revenue, due to the loss of present taxes on imports from the States and on imports from Britain to be replaced by home and United States manufactures, would be very great; incapable of being filled by a tea and coffee tax, a bill tax, and other available taxes of a like nature, and by practicable economies.

Direct taxation, even in its most promising form—a succession tax—is, I regret to say, at present out of the question. And of the financial problem presented by Unrestricted Reciprocity I have seen no solution which would leave us without a great deficit. I have said that any feasible plan

involves differential duties; but it does more. It involves, as to the bulk by agreement, and as to much from the necessity of the case, the substantial assimilation, in their leading features, of the tariffs of the two countries. The absence of agreement would give to each country power to disturb at will the industrial system of the other; and Unrestricted Reciprocity without an agreed assimilation of duties is an unsubstantial dream. . . . Since any practical arrangement does substantially involve, not only differential duties, but a common tariff, Unrestricted Reciprocity becomes, in these its redeeming features, difficult to distinguish from Commercial Union. And Commercial Union, establishing a common tariff, abolishing international Customs houses and dividing the total duties between the two countries in agreed proportions, is the more available, perhaps the only available plan. It is much more likely to be accepted by the States; and it would also have advantages for Canada, in both the trade and the revenue aspects, over Unrestricted Reciprocity; which, while failing to secure to us substantial control over our tariff, would provide still less adequately for our revenue needs, and would greatly hamper trade by its stringent Customs examinations. Permanence in the new relation is of high consequence, both directly and indirectly, to the agricultural interest; and is absolutely essential in order to secure the full development of other great interests, to prevent needless disaster to important industries and to realize many of the benefits of the plan. . . . Our neighbours, instead of engaging in manufacture here, would take our markets with goods manufactured there. And our raw materials, instead of being finished on the ground, would be exported to be finished abroad. Uncertainty would alarm capital and paralyze enterprise; and therefore I repeat that permanence is essential to success. . . . I see no plan for combining the two elements of permanency of the Treaty and variability of the tariff which does not involve the practical control of the latter by the States. And I can readily conceive conditions under which, notwithstanding her right to threaten a withdrawal, Canada would have much less influence in procuring or preventing changes than she would enjoy did she compose several States of the Union.



Amongst the British people the Canadian preference of the United States over British manufactures would be, perhaps, less unpopular, considered on economic grounds alone, than the alternative scheme of food taxes to which I have referred. Accompanied, as it ought to be, with a fair settlement of all differences with the States, and by the establishment on a firm basis of cordial relations between all English-speaking peoples, it would secure high political advantages to the United Kingdom. And the greater prosperity of Canada, in which the British investor is deeply concerned, and from which, spite of all tariff obstacles, the British manufacturer, too, must reap some slight advantage, would mitigate hostility to the scheme. But, after all, it would be taken in very bad part, on economic grounds, by the British manufacturing interests; and on Imperial grounds, by other important elements of the population; and it would seriously affect the present tone and feelings in regard to the Colonial relation.

The tendency in Canada of unrestricted free trade with the States, high duties being maintained against the United Kingdom, would be towards political union; and the more successful the plan the stronger the tendency, both by reason of the community of interests, the intermingling of populations, the more intimate business and social connections, and the trade and fiscal relations amounting to dependency, which it would create with the States; and of the greater isolation and divergency from Britain which it would produce; and, also, and especially, through inconveniences experienced in the maintenance, and apprehensions entertained as to the termination of the Treaty."

**During the Session of the Legislative Assembly of Manitoba in 1891, the following resolution was passed and duly transmitted to the Prime Minister at Ottawa on April 2nd—Sessional Papers, No. 38, 1891, Volume 24, No. 17:**

"Ordered,—Whereas this House on the 19th day of March, 1890, unanimously adopted a resolution re-affirming the declaration of a previous Legislature that the Customs Tariff pressed very heavily on the people of this Province, and pronouncing in favour of Unrestricted Reciprocity

between Canada and the United States, as the late Hon. John Norquay had so decidedly done in 1887:

And whereas attempts have several times been made on the part of the Government of Canada since the cancellation in 1866 of the Treaty of 1854 providing for reciprocity in natural products, to bring about a wider scheme of reciprocity embracing many articles of manufacture as well as natural products, and that Government has recently taken fresh steps, looking once more to the accomplishment of that end, while the political party in the Dominion opposed to the Government has pronounced in favour of the unrestricted reciprocal trade for which this Legislature and Mr. Norquay prayed; and these facts prove that all parties in the Dominion are united in a desire to secure a wide system of reciprocity with the United States.

And whereas suggestions have been made in certain high quarters, that some of the leading advocates of Unrestricted Reciprocity are aiming at a dissolution of the tie that binds this country to the Motherland and to link us politically with the American Republic. And whereas it is desirable that no misapprehension shall exist as to the attitude of this Legislature in that regard.

Be it therefore resolved that this House most emphatically declares that in pronouncing in favour of Unrestricted Reciprocity with the American Union, it did not and does not aim at leading directly or indirectly, proximately or remotely, to such a result. But it sought, and seeks, simply to secure for the settlers in Manitoba the most convenient competitive markets for the disposal of their produce and for the procuring of their needed supplies under the most favourable conditions for the sale of the one and the purchase of the other.

And this House further declares that no treaty of reciprocity will be satisfactory which will not place it beyond the power of American legislation to fix, or American influence to change, the Canadian Tariff against other lands, or which will in any way place Canada at the mercy of the United States. And it is the opinion of this House that a fair measure of reciprocity, based on proper conditions which would be at once appropriate to



our interests and consistent with the preservation of the integrity of the Empire, would largely promote the material prosperity of Canadians, and so tend to make them more than ever content with their existing political relations."

**The Reciprocity negotiations of 1891-2** with the United States were of great political and historical interest. Upon the commencement of them turned much of the discussion in a Canadian general election, and upon the result rests the practical certainty of American aversion to any reciprocity arrangement which does not give their products a preference in the markets of the Dominion. This view of the situation has been denied, however, by various party leaders, and it will be advisable to place the official details upon record here. The proposal for a renewal of the Reciprocity negotiations was made in an official despatch from Lord Stanley of Preston (Lord Derby), to Lord Knutsford, then Colonial Secretary, on December 13th, 1890, as follows:

"My Lord:

I have the honour to send to your Lordship today a telegraphic message in cipher, of which the following is the substance:

With reference to my telegram of the 10th inst., this Government is desirous to propose a Joint Commission, such as that of 1871, with authority to deal without limitation and to prepare a treaty respecting the following subjects:

1. Renewal of the Reciprocity Treaty of 1854, with the modifications required by the altered circumstances of both countries, and with the extensions deemed by the Commission to be in the interests of Canada and the United States.

2. Re-consideration of the Treaty of 1888 with respect to the Atlantic fisheries, with the aim of securing the free admission into the United States markets of Canadian fishery products in return for facilities to be granted to United States fishermen to buy bait and supplies and to tranship cargoes in Canada, all such privileges to be mutual.

3. Protection of mackerel and other fisheries on the Atlantic ocean and in inland waters.

4. Relaxation of seaboard coasting laws of the two countries.

5. Relaxation of the coasting laws of the two

countries on the inland waters dividing Canada from the United States.

6. Mutual salvage and saving of wrecked vessels.

7. Arrangements for settling boundary between Canada and Alaska."

Lord Knutsford's telegraphic reply, dated January 2nd, 1891—Sessional Papers No. 38, Volume 17, 1891—was as follows:

"Minister at Washington has communicated to the United States Secretary of State substance of your telegram of 13th December. Mr. Blaine



The 16th Earl of Derby, K.G.

replied that to endeavour to obtain the appointment of the formal Commission to arrive at the Reciprocity Treaty would be useless, but that the United States Government was willing to discuss the question in private with Sir Julian Pauncefote and one or more Delegates from Canada, and to consider every subject as to which there was hope of agreement on the ground of mutual interests; if not, and to risk so grave a step until by private discussion he had satisfied himself that good ground existed for expecting an agreement

by means of a Commission. He added that he would be prepared to enter into private negotiations at any time after 4th March."

Meanwhile the elections took place in Canada, the Government of Sir John Macdonald was sustained, and a series of efforts to obtain a joint international discussion of the question followed. After many delays, caused chiefly by Mr. Blaine and the Washington Administration, a meeting was held on February 10th, 1892. The United States was represented by Mr. James G. Blaine, Secretary of State, and General J. W. Foster. The Canadian delegates were Mr. Mackenzie Bowell, Sir John Thompson and Mr. G. E. Foster. Sir Julian Pauncefote was of course also in attendance.

The following is a record of what took place at the Conference, so far as trade matters were concerned—Sessional Papers, Volume 26, No. 52:

"Mr. Foster opened the discussion by stating that the suggestion made by Canada in December, 1890, was for a renewal of the Reciprocity Treaty of 1854, with such modifications and extensions as the changed conditions might make necessary.

Mr. Blaine, with the Treaty of 1854 before him, said that the article of the Treaty relating to fishing might be left for separate consideration, and, taking up the list of free goods established by that Treaty, remarked that all these goods are produced by the United States.

Mr. Foster reminded Mr. Blaine of the several natural products of the United States which now obtain a Canadian market in large quantities, and which would be received in far greater quantities if admitted free. After considerable discussion Mr. Blaine stated that a proposal for a treaty, based on natural products alone, could not be discussed, as it would lack the essential element of an arrangement for reciprocity, as far as the United States is concerned. If a proposition could be made 'for taking down the bars,' it would be quite another question.

General Foster said that Mr. Blaine had replied to us that a treaty for natural products only could not be discussed. He wished to know from us whether we were prepared to discuss a treaty which would include American manufactures generally.

Mr. Blaine added that American manufactures must be included in order to give the United States any benefit from the Treaty. He would like to receive a proposition from the Canadian Ministers on this basis.

Mr. Foster, while combatting the proposition that the United States would only receive benefit from a treaty with Canada which would include manufactured articles, proceeded to say that before considering what proposition might be made on the part of Canada for including such articles, the Canadian Government would require to know whether the United States would insist on differential treatment, or whether Canada would be free to accord the same terms to other countries.

Mr. Blaine replied that the Treaty would be of no benefit to the United States if the like treatment were given to other countries, especially as Great Britain was in active competition with the United States in almost every line of manufacture. He added: 'We should expect to have the Canadians to compete with in manufacturing, but no one else.'

He admitted that such a proposition affects Canada differently from the way in which it would affect an independent country. He said: 'We experienced the peculiar difficulty a short time ago of negotiating a treaty with a country which has a sovereign arm extended over her.'"

The discussion was resumed on February 11th, in the following terms:

"As to Mr. Blaine's declaration of yesterday that the United States would not be inclined to accept a treaty upon any other basis than that of a free entry of both their natural and manufactured products into Canada, coupled with discrimination against all other countries, Mr. Foster desired to state frankly and shortly the difficulties which stood in the way of the acceptance of such a basis by Canada.

In the first place, Canada, would thereby be obliged to give a preference to United States goods as against those of Great Britain, with which country she stood in the close and valued relation of a Colony to the Motherland. Aside from sentimental considerations, it was well known that the only material return which Great Britain received from the privileges and protec-

tion she gave us was the right to enter our markets on even terms with all other countries, and any arrangement which denied that right brought us face to face with considerations of the most weighty and serious character. In the second place, the question of revenue was largely involved. Canada's revenue was derived from Customs, excise and public works—very largely from the first. Under an arrangement upon the basis indicated by Mr. Blaine, Canada would lose at once about eight million dollars now derived from United States imports. She would also stand to lose a considerable portion of present Customs collections upon importations from other countries, which would be largely reduced from the unequal competition of free United States goods with the more or less highly taxed goods of other countries.

Mr. Blaine inquired if Canada had any other modes of taxation, such as income, land, or other direct tax.

Mr. Foster replied that the Federal Government had not had recourse to any of these forms of taxation, which were not popular with the Canadian people, but had relied entirely upon the Customs and excise tax for revenue. In relation to internal revenue, Mr. Blaine inquired as to what articles were included under that head, and on being informed that liquors and tobacco were the only articles included, he remarked that those duties would necessarily have to be equalized between the two countries. Whereupon Mr. Foster observed that such would be necessary, and that, in doing this, unless the United States consented to raise its rate of impost Canada would lose a very considerable portion of her present excise revenue, inasmuch as her excise tax upon spirituous liquors was \$1.50 per gallon as compared with the United States excise of \$1.20 per gallon; upon malt or beer the Canadian tax was about double that of the United States impost; and upon tobacco the Canadian tax was 25 cents per pound as compared with a tax of six and eight cents in the United States.

Mr. Blaine agreed that under the conditions that would then exist, the manufacture of the spirits would then be transferred to the corn-producing centres. Mr. Foster went on to say that a third question arose at this point, which was in

its way not less important than the two already discussed, namely: Granted that discrimination in favour of United States manufactures in the Canadian market was necessary, how should the standard of discrimination be fixed, and what should be its degree? Would the Canadian tariff have to be raised to an equality with that of the United States tariff upon these articles, or would the present Canadian tariff be accepted as sufficient, or would Canada be at liberty to fix the rate as and when she pleased, provided that the principles of discrimination were always maintained? He took the item of woollen and wools, and illustrated the above point by a comparison of tariffs on these in the two countries.

Mr. Blaine said that this was a vital point; that under the existing tariff on wools and woollens in the two countries a reciprocity such as he, Mr. Foster, contemplated would result in manifest disadvantage to the United States, whose policy was one of large protection on wools as well as woollens. Unless such points were guarded, there would be no security on the one hand from smuggling along a border line of over three thousand miles in length, or on the other of maintaining the present policy of the United States. This could, in his opinion, only be done by making the tariff uniform for both countries, and equalizing the Canadian tariff with that of the United States.

Some conversation then ensued as to what would be the effect of such a wide reciprocity upon Canada. Mr. Foster assumed that the trade of Canada would be directed largely towards the United States, as the discriminating tariff upon goods from other countries would practically prevent her from purchasing therefrom manufactured goods of the kinds made in the United States; that her younger and smaller industries would be exposed to the stronger competition of older and well-established industries in the United States, with their accumulations of skill and immense capacity for output; and that in the matter of animal and agricultural products she would only gain access to a market which, in nearly all lines of these products, was supplied to overflowing with like products raised in the United States.

Mr. Blaine intimated that Canada would then be in much the same position in trade and industrial matters as a State of the Union, one which was a

non-manufacturing and mainly an agricultural State, as the tendency of manufacturing was to go further and further west and south to the newer centres of population.

Mr. Foster continued that he had thought it well to lay thus frankly and briefly before Mr. Blaine the difficulties that met Canada when asked to accept as a basis for reciprocity an interchange of all manufactured articles as well as natural products, and he hoped that Mr. Blaine, who had had a large experience in negotiating reciprocity arrangements, and who had studied the subject so thoroughly, might be prepared to propose a modified basis for the consideration of the Canadian delegation which would tend to diminish the revenue difficulties and to avoid the disturbance of Canada's present relations with the Mother Country. He pointed out the generous treatment now accorded by Canada to United States trade, and that at the present time, although Canada collects upon all imported goods, dutiable and free, a revenue of 20½ per cent., yet upon all goods imported from the United States the percentage of duty is only 14½ per cent. The free list given by the United States to Canada last year amounted to only \$11,600,000, while Canada gave the United States a free list of nearly \$24,000,000.

Mr. Blaine, after mentioning that this, he supposed, was largely due to geographical distribution, said he could easily understand why Canada was reluctant to enter into a treaty of unlimited reciprocity, but that it was clear to his mind that no other arrangement would suit the United States, and that it must be accompanied by discrimination in favour of the United States, especially against Great Britain, who was their great competitor, and that it must likewise be accompanied by the adoption of a uniform tariff for the United States and Canada equal to that of the United States. He then remarked that, without absolutely ending the discussion on this subject, the delegation might proceed to consider the other points which had been mentioned."

The published report of these discussions on both the days mentioned is signed in a rather significant manner, and in view of disputes which afterwards arose as to what was said, it is important to bear in mind that the British Ambassador—a man bred in the highest principles of honour-

able diplomacy—endorsed the Canadian statement, and that the signatures affixed were as follows :

" M. BOWELL.

JOHN S. D. THOMPSON.

GEORGE E. FOSTER.

I concur in the above minute of proceedings,

JULIAN PAUNCEFOTE."

**An International Reciprocity Convention** was held in St. Paul, Minnesota, U.S.A., on June 6th and 7th, 1893, attended by Congressman William M. Springer, James J. Hill, the eminent American railway financier, and the Hon. Joseph Martin of Manitoba, Canada, and a large number of delegates. The following Resolutions were adopted :

" I. That in the opinion of this Convention the policy unanimously approved by the first International Reciprocity Convention of Grand Forks, and now re-affirmed, of removing the tariff restrictions upon our international trade, so far as can be done consistently with a due regard to the revenue requirements and other interests of the two nations, may be most advantageously carried into effect by a treaty providing for the free interchange of those classes of the products, both natural and industrial, of each one, that are most generally in demand or usually find the readiest sale in the markets of the other. Such a policy, in the circumstances of the United States and Canada, is capable of being applied to many classes of industrial products as well as to the natural products generally. It would result in giving to Canada a market now denied it for much of its produce, with a compensating advantage to the United States, and that without affecting a large part of their respective Customs revenues.

II. That cheaper transportation is a matter of prime importance to the interests of the North-West, Canadian as well as American, and favouring the improvement of existing waterways and the constructing of additional channels of communication between the great lakes and the ocean of sufficient capacity to allow a free passage of ocean vessels, and which should be free of all tolls. That any Reciprocity Treaty between the United States and Canada should provide for the free and common use by the people of both countries of all canals now built, or hereafter to be built, to facilitate commerce between the great

lakes and the ocean, and should also provide for free and open competition between the railway systems of the two countries, in order to reduce the cost of transportation from the interior to the seaboard to the lowest figures consistent with the efficiency and reasonable prosperity of the roads.

III. That to secure the desired results sought to be obtained by this Convention, a Joint Committee shall be appointed by the permanent chairman of the Convention, consisting of ten members, five of them to be selected from the Dominion of Canada and five of them from the United States; that it shall be the duty of this Committee to take charge and prosecute this work after adjournment of this Convention by using such means as they deem proper to bring the matter before the Dominion Parliament and the Canadian authorities, and before the Congress of the United States and the American authorities, and before the people of the two countries."

The figures of the Export Trade of Canada in the years 1887-1896 illustrate a significant transfer in the sale and distribution of Canadian products from the American to the British market. The following tables speak for themselves:

## EXPORTS TO GREAT BRITAIN.

	1887	1896
Products of the mine...\$	477,722	\$ 175,512
The fisheries.....	1,704,190	4,462,002
The forest.....	9,445,491	12,186,806
Animals and their produce .....	16,315,474	32,523,071
Agricultural products..	9,438,408	9,551,316
Manufactures.....	1,270,162	3,709,266
Miscellaneous.....	62,884	19,968
	\$38,714,331	\$62,627,941

## EXPORTS TO UNITED STATES.

	1887	1896
Products of the mine...\$	3,085,431	\$ 7,437,814
The fisheries.....	2,717,509	3,301,671
The forest.....	9,353,506	13,528,047
Animals and their produce.....	7,291,369	3,341,275

	1887	1896
Agricultural products...	7,966,248	2,232,793
Manufactures.....	1,289,052	2,308,349
Miscellaneous.....	569,918	87,589
	\$32,273,033	\$32,237,538

The increase in exports to the Mother Country was not so significant in one sense as were the decreases to the Republic, because there is known to be a boundless market in Britain for agricultural products of every description. But the figures in these tables seem to prove that the Americans only take from Canada what may be convenient along the border—that which they can profitably convert into some sort of manufactured article, such as the raw product of Canadian mines for their smelters, and the logs from Canadian forests for conversion into lumber and its manufactured myriad forms. During this period the Canadian export of barley to the United States has decreased from \$5,245,968 in 1887 to \$297,439 in 1896; that of horses from \$2,214,388 to \$650,761; that of horned cattle from \$887,756 to \$13,150; that of eggs from \$1,821,364 to \$97,313. Hostile tariffs, purposely constructed to avert Canadian competition, have been, of course, the main cause of this change. Meanwhile, the export of horses to Great Britain rose from \$38,230 to \$1,735,108; that of horned cattle from \$5,344,375 to \$6,816,361; that of hay from \$61,486 to \$305,616; that of hides from \$388,678 to \$1,712,077; that of eggs from nothing to \$704,768; that of sheep from \$568,433 to \$1,122,091.

In 1874, when the competition with the United States in manufactures was beginning to be unpleasantly felt in Canada, a select Committee was appointed by Parliament to inquire into the "extent and condition of the manufacturing interests of the Dominion." It was composed of Mr. A. T. Wood, as Chairman, and the following members: D. B. Chisholm, Æmilus Irving, Major John Walker, L. A. Jetté, M. C. Cameron, of Huron, John Charlton, M. P. Ryan, William McDougall, q.c., of Three Rivers, James Norris, J. D. Buell, J. W. Carmichael, A. F. Macdonald of Cornwall, C. C. Colby, L. F. R. Masson, Hon. A. DeCosmos, David Blain, W. H. Brouse, John Pickard, Hon. P. Sinclair and A. H. Dymond.

The Report was submitted on May 19th, 1874, and the Committee states through the Chairman:

"That they have, during their investigation of the subject committed to them, received replies from 215 persons engaged in the manufacturing industry in answer to a circular issued by a former Committee, asking information upon several points connected with such industry, and they have examined orally nineteen persons similarly engaged. A synopsis of some of the replies received, and the oral evidence thus obtained, accompany this Report as an appendix and are respectfully submitted to the consideration of your Honourable House. Your Committee, upon the evidence thus obtained, have arrived at the following conclusions:

I. It appears that the competition with the United States, in those classes of manufacture which come under the influence of such competition, is seriously complained of on the ground that it is an unequal competition fostered by the different fiscal systems of the two countries. The American manufacturers, having the exclusive control of their own market, find it convenient to relieve themselves of their surplus products in Canada, in many instances at prices less than the cost of production, thus making of Canada a 'slaughter market.' It has been established before your Committee that Canadian manufactures have seriously suffered from this cause and that the effect of it must be, in some cases at least, to so hamper the Canadian industry as to seriously embarrass it, while the country itself would be injured by the withdrawal from it of large numbers of operatives who would be compelled to seek work in the United States. This disturbing element in the manufacturing industry of the Dominion arising out of our geographical position, and out of the trade policy of our neighbours, should induce even those who may regard free trade as a correct principle in the abstract to recognize the necessity for a modification of that principle as a measure of self-protection, and your Committee respectfully recommend the enactment of such laws as will regulate, if it cannot altogether prevent, the evil complained of.

II. The almost uniform testimony before your Committee was to the effect that an increased protection to manufactures will not necessarily

increase the cost of the manufactured article to the consumer, and, in the opinion of your Committee, the witnesses have made out a very strong case in support of this view. It appears to be well established that the cost of manufacturing decreases as the quantity of goods manufactured increases. Thus a large manufacturing establishment can afford to sell its products at a lower rate than a smaller one. If, therefore, Canadian industry is relieved from the pressure of such undue competition as that referred to in the first paragraph of this Report, the effect will be that the manufacturing establishments will be worked to their full capacity, and the cost of production, and the consequent cost to the consumer, will be proportionately reduced. Some instances in proof of the correctness of this principle are given by witnesses whose testimony accompanies this Report.

III. Although the export trade in manufactured articles has not yet developed to any extent, your Committee have ascertained that in some classes of goods already a successful attempt has been made to place them upon foreign markets. The encouragement of this trade as tending to enlarge the markets for our manufactures, and thus to promote their prosperity, and at the same time to increase our foreign commerce, should be effected by all legitimate means. Your Committee recommend that, to accomplish this object, a draw-back should be granted on all materials used in manufactures made for export.

IV. The attention of your Committee has been called to the condition of certain classes of manufacturers, who pay under the existing tariff the same amount of duty upon what to them is raw material as is paid on the manufactured article. They mention in this connection the manufactures of clothing and haberdashery.

V. Your Committee would call the special attention of your Honourable House to the importance of such legislation as will develop the iron mines. Two letters have been received in connection with this subject; one from Mr. Edward Gurney, of Hamilton, and the other from Mr. Charles Fitzgerald, of Ottawa, which are appended to this Report, and which the Committee commend to the special consideration of the House.



VI. The woollen manufacturers complain that they suffer in their business by the importation from Europe of low-priced woollen cloths, made principally from shoddy, and ask the Committee to recommend to the Government a scale of duties graduated upon the quality of the article.

VII. Your Committee have also taken evidence touching the introduction into Canada of American reprints of British copyright works. Your Committee call attention to the fact that, whilst the privilege of publishing the aforesaid reprints in Canada is granted to the publishers of the United States, it is denied, under severe penalties, to the publishers of Canada. Your Committee regard this state of things as calling for an early remedy.

VIII. Your Committee believe that permanence is an element in any tariff, and that it should be so adjusted as to afford adequate protection to existing industries, and to invite the attention of capitalists to branches of industry which as yet have not been successful in this country, and which are yet untried."

A minority Report of some length was also submitted—Journals, House of Commons, 1874—by Messrs Dymond and Walker. It pressed the free trade view of the situation upon the House; declared the evidence taken to be insufficient, and not distinctly representative of public opinion; praised a revenue tariff, while admitting the evils of the "slaughtering" process, and declaring the latter unlikely to frequently recur; urged improved facilities of communication; denounced high tariffs as dangerous, and alleged that the existing one afforded sufficient "incidental" protection to Canadian industries.

**There has always been a strong sympathy** with the idea of reciprocity amongst the commercial classes of the Republic. This was shown between 1850 and 1870, and again in two petitions presented to Congress on January 21st, 1881. These latter were signed in the one case by 500 leading mercantile firms of New York, and in the other by 1,030 firms and business men of Boston. They were similar in words—Congressional Record, January, 1881—and read as follows:

"The National Board of Trade, as well as the principal local Boards of Trade in the United

States, have for the past five years memorialized Congress and sent delegates to Washington in behalf of resolutions asking that Congress would authorize the appointment of a Commission to ascertain and report to Congress, and thus to the country, whether there could be any basis, and if so, what, on which a mutually satisfactory and advantageous Reciprocal Trade between the United States and the British Provinces could be established.

The House Committee on Foreign Affairs reported April 28th, 1880, a Resolution to the above effect, which is now on the calendar awaiting action by the House. Notwithstanding the urgent appeals thus made, no vote has, during all these years of effort to secure it, been reached upon the subject-matter of said Resolution. The business interests of the country, in asking simply that Congress will authorize a Commission to investigate and report upon this great question, and, in other words, in asking now only that information be obtained for them and the country, feel that the request is a reasonable one and is entitled to receive early consideration.

A mutual desire for closer trade relations on the part of the merchants and traders in the United States and Canada, has existed ever since the peremptory abrogation by the United States of the Treaty of 1854, as evidenced year after year by resolutions passed by the great commercial bodies of both countries; and it is no exaggeration to say, that in all probability, the failure of Congress to give this business question due consideration has cost the people of this country \$5,500,000, without any corresponding advantages in return, for fishery privileges which could have been acquired at any time previous thereto without cost, through the negotiations of such a Commission as has been asked for; and also cost to this country a large amount of valuable trade, lost to it through the operations of restrictive tariffs, and has otherwise been detrimental to our best interests.

The undersigned believe it possible to establish a reciprocal trade between Canada and the United States which shall be mutually satisfactory, and equitable, and advantageous to both countries, and to adjust satisfactorily any existing causes of irritation by means of the proposed Commission.



The undersigned also believe that, inasmuch as the United States peremptorily abrogated the Treaty of 1854, and rejected overtures since made by Canada for renewal of former trade relations, it is desirable that the first step towards new negotiations be taken by the United States. The undersigned therefore respectfully petition that early action may be taken on the said Resolution."

**The Hon. Sir Richard John Cartwright** was born at Kingston, Upper Canada, in 1835—the son of the Rev. R. D. Cartwright of that place, and grandson of the Hon. Richard Cartwright, an United Empire Loyalist. He was educated at Kingston and at Trinity College, Dublin, and for a time studied law after his return. But he finally abandoned this profession and devoted his attention to banking and finance—becoming a Director and then President of the Commercial Bank of Canada and a Director of the Canada Life Assurance Company. All his early associations and family ties were Conservative, and such were his own political views when he entered public life in 1863 as member for Lennox and Addington in the Legislative Assembly. After the consummation of Confederation, in 1867, he was re-elected to the House of Commons, and again in 1872-3-4. He supported the union of the Provinces and the earlier policy of Sir John A. Macdonald; but for reasons which have never been definitely known drifted into the Liberal ranks, and in 1873 accepted the portfolio of Finance in the Mackenzie Administration. He was defeated in Lennox and Addington at the elections of 1878; returned for Huron a few months later; defeated in Centre Wellington in 1882; returned for South Huron in December, 1883; and elected from South Oxford in 1887, 1891, and 1896. Sir Richard Cartwright was created a K.C.M.G. in 1879 and advanced to the G.C.M.G. in 1897. After being in Opposition with his party for eighteen years, he shared in their success of 1896, and became Minister of Trade and Commerce in the Laurier Government. During Sir Wilfred Laurier's absence in England at the Queen's Diamond Jubilee he was Acting-Premier. In 1874, 1875, and 1876, under the Mackenzie regime Sir Richard was in England upon various matters of public business. He is

a strong, sarcastic and able speaker; a leader whose personal dignity and style of oratory is modelled much more after the English than the American pattern; a politician more respected for ability than popular with the public. His course upon trade questions and Canadian relations with the United States has been the object of bitter reprobation from his political opponents. His administration of the finances was unfortunate in occurring during the depression of 1875-8, and amid great difficulties from various extraneous causes. Sir Richard Cartwright has consistently opposed and denounced protection, and favoured the principle of free-trade—if not at all times its practice. In history he will stand as one of the half-dozen most prominent figures in Canadian public life since Confederation.

**Sir John A. Macdonald's Manifesto** to the Canadian people was the pivotal point of the elections of 1891, and the most fervid and remarkable utterance of a great career. He devoted his attention almost entirely to the Trade question, and his presentation of the case lacked no element of dramatic force or patriotic appeal:

"To the Electors of Canada:

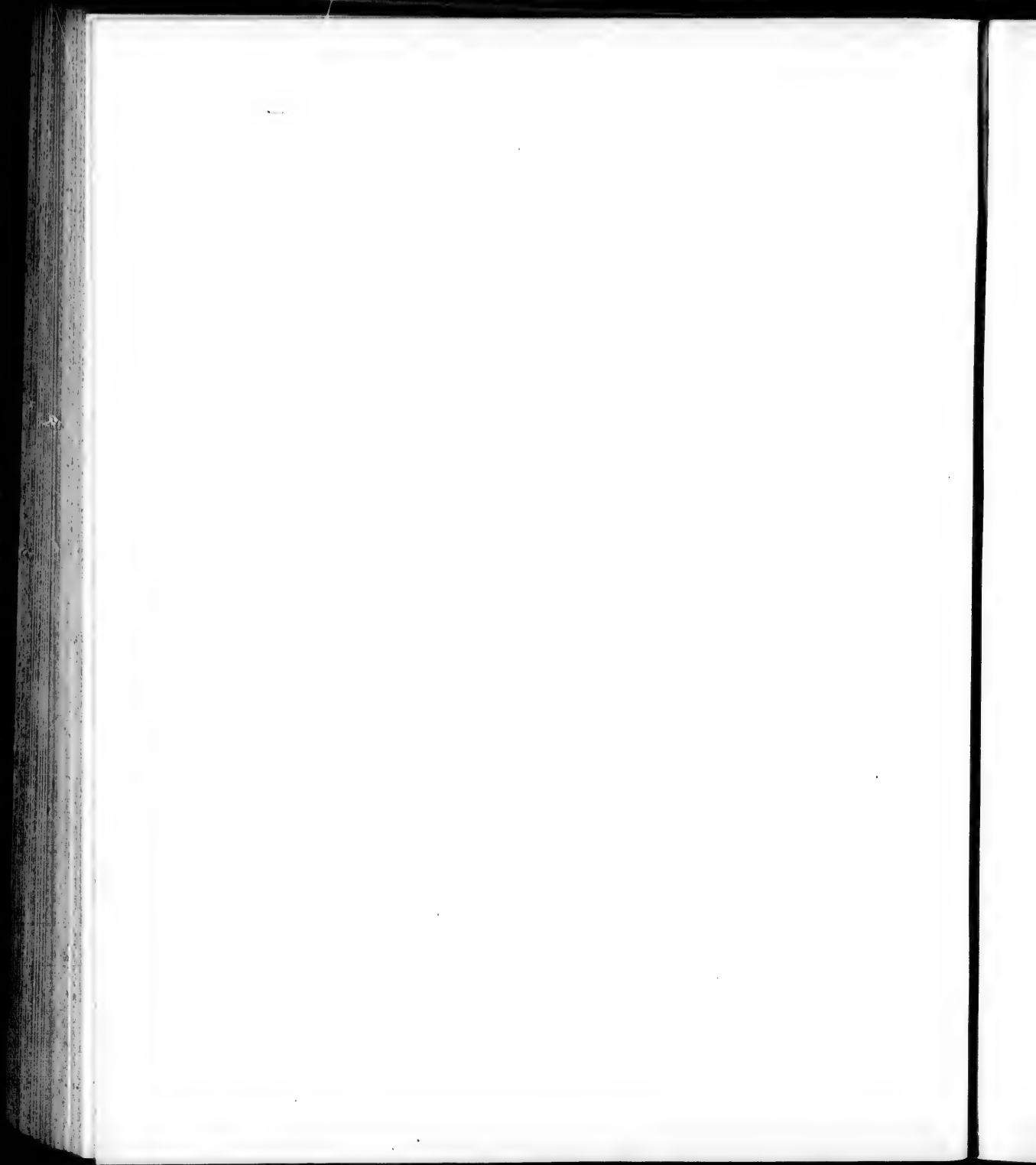
The momentous questions now engaging public attention having, in the opinion of the Ministry, reached that state when it is desirable that an opportunity should be given to the people of expressing at the polls their views thereon, the Governor-General has been advised to terminate the existence of the present House of Commons, and to issue writs summoning a new House of Parliament. This advice His Excellency has seen fit to approve, and you, therefore will be called upon within a short time to elect members to represent you in the great council of the nation. I shall be a candidate for the representation of my old constituency, the City of Kingston.

In soliciting at your hands a renewal of the confidence which I have enjoyed as a Minister of the Crown for thirty years, it is, I think, convenient that I should take advantage of the occasion to define the attitude of the Government in which I am first Minister towards the leading political issues of the day.

As in 1878, in 1882, and again in 1887, so in



RIGHT HON. SIR JOHN A. MACDONALD, G. C. B., P. C.,  
PRIME MINISTER OF CANADA.



1891 do questions relating to the trade and commerce of the country occupy a foremost place in the public mind. Our policy in respect thereto is to-day what it has been for the past thirteen years, and is directed by a firm determination to foster and develop the various resources of the Dominion by every means in our power consistent with Canada's position as an integral portion of the British Empire. To that end you have laboured in the past, and we propose to continue in the work to which we have applied ourselves, of building upon this continent, under the flag of England, a great and powerful nation.

When in 1878 we were called upon to administer the affairs of the Dominion, Canada occupied a position in the eyes of the world very different from that which she enjoys to-day. At that time a profound depression hung like a pall over the whole country, from the Atlantic ocean to the Western limits of the Province of Ontario, beyond which to the Rocky Mountains stretched a vast and almost unknown wilderness. Trade was depressed, manufactures languished, and, exposed to ruinous competition, Canadians were fast sinking into the position of being mere hewers of wood and drawers of water for the great nation dwelling to the south of us.

We determined to change this unhappy state of things. We felt that Canada, with its agricultural resources, rich in its fisheries, timber and mineral wealth, was worthy of a nobler position than that of being a slaughter market for the United States. We said to the Americans: 'We are perfectly willing to trade with you on equal terms. We are desirous of having a fair reciprocity treaty, but we will not consent to open our markets to you while you remain closed to us.' So we inaugurated the National Policy.

You all know what followed. Almost as if by magic, the whole face of the country underwent a change. Stagnation and apathy and gloom, aye, and want and misery too, gave place to activity and enterprise and prosperity. The miners of Nova Scotia took courage; the manufacturing industries in our great centres revived and multiplied; the farmer found a market for his produce; the artisan and labourer employment at good wages; and all Canada rejoiced under the quickening impulse of a new-found life. The age of

deficits was past, and an over-flowing treasury gave the Government the means of carrying forward the great works necessary to the realization of our purpose to make this country a homogeneous whole.

To that end we undertook the stupendous work, the Canadian Pacific Railway, undeterred by the pessimistic views of our opponents; nay, in spite of strenuous and even malignant opposition, we pushed forward that great enterprise through the wilds north of Lake Superior, across the western prairies, over the Rocky Mountains, to the shores of the Pacific, with such inflexible resolution that in seven years after the assumption of office by the present Administration the dream of our public men was an accomplished fact, and I myself experienced the proud satisfaction of looking back from the steps of my car upon the Rocky Mountains fringing the eastern sky.

The Canadian Pacific railway now extends from ocean to ocean, opening up and developing the country at a marvellous rate, and forming an Imperial highway to the east over which the trade of the Indies is destined to reach the markets of Europe. We have subsidized steamship lines on both oceans, to Europe, China, Japan, Australia and the West Indies. We have spent millions on the extension and improvement of our canal system. We have by liberal grants of subsidies promoted the building of railways, now become an absolute necessity, until the whole country is covered as with a network; and we have done all this with such prudence and caution that our credit in the money markets of the world is higher to-day than it has ever been, and the rate of interest on our debt, which is the true measure of the public burdens, is less than it was when we took office in 1878.

During all this time what has been the attitude of the Reform Party? Vacillating in their policy and inconstancy itself. As regards their leaders, they have at least been consistent in this particular, that they have uniformly opposed every measure which had for its object the development of our common country. The National Policy was a failure before it had been tried. Under it we could not possibly raise a revenue sufficient for the public requirements. Time exposed that fallacy. Then we were to pay more for the home manufactured

article than we used to when we imported everything from abroad. We were to be the prey of rings and monopolies, and the manufacturers were to extort their prices. When these fears had been proved unfounded, we were assured that over-competition would inevitably prove the ruin of the manufacturing industries and thus bring about a state of affairs worse than that which the National Policy had been designed to meet. It was the same with the Canadian Pacific Railway. The whole project, according to our opponents, was a chimera. The engineering difficulties were insuperable; the road, even if constructed, would never pay. Well, gentlemen, the project was feasible, the engineering difficulties were overcome, and the road does pay.

Disappointed by the failure of all their predictions, and convinced that nothing is to be gained by further opposition on the old lines, the Reform party has taken a new departure, and has announced its policy to be Unrestricted Reciprocity; that is, as defined by its author, Mr. Wiman, in the *North American Review* a few days ago, free trade with the United States and a common tariff with the United States against the rest of the world.

The adoption of this policy would involve among other grave evils, discrimination against the Mother Country. This fact is admitted by no less a personage than Sir Richard Cartwright, who, in his speech at Pembroke on October 21, 1890, is reported to have said: 'Some men, whose opinions I respect, entertain objections to this Unrestricted Reciprocity proposition. They argue, and argue with force, that it will be necessary for us, if we enter into such an arrangement, to admit the goods of the United States on more favourable terms than those of the Mother Country. Nor do I deny that this is an objection, and not a light one.' It would, in my opinion, inevitably result in the annexation of this Dominion to the United States. The advocates of Unrestricted Reciprocity on this side of the line deny that it would have such an effect, though its friends in the United States urge as the chief reason for its adoption that Unrestricted Reciprocity would be the first step in the direction of political union. There is, however, one obvious consequence of this scheme which nobody has the hardihood to

dispute, and that is that Unrestricted Reciprocity would necessitate the imposition of direct taxation, amounting to not less than fourteen millions of dollars annually upon the people of this country. This fact is clearly set forth in a remarkable letter addressed a few days ago by Mr. E. W. Thomson—a Radical and Free Trader—to the *Toronto Globe*, on the staff of which paper he was lately an editorial writer, which, notwithstanding, the *Globe*, with characteristic unfairness, refused to publish, but which, nevertheless reached the public through another source. Mr. Thomson points out with great clearness that the loss of Customs revenue levied upon articles now entering this country from the United States, in the event of the adoption of the policy of Unrestricted Reciprocity, would amount to not less than \$7,000,000 annually. Moreover, this by no means represents the total loss to the revenue which the adoption of such a policy would entail. If American manufacturers now compete favourably with British goods, despite an equal duty, what do you suppose would happen if the duty were removed from the American, and retained, or, as is very probable, increased on the British article? Would not the inevitable result be a displacement of the duty-paying goods of the Mother Country by those of the United States? And this would mean an additional loss to the revenue of many millions more.

Electors of Canada, I appeal to you to consider well the full meaning of this proposition. You—I speak now more particularly to the people of this Province of Ontario—are already taxed for school purposes, for county purposes, while to the Provincial Government there is expressly given by the constitution the right to impose direct taxation. This latter evil you have so far escaped, but as the material resources of the Province diminish, as they are now diminishing, the Local Government will be driven to supplement its revenue derived from fixed sources by a direct tax. And is not this enough, think you, without your being called on by a Dominion tax-gatherer with a yearly demand for \$15.00 a family to meet the obligations of the Central Government? Gentlemen, this is what Unrestricted Reciprocity involves. Do you like the prospect? This is what we are opposing, and what we ask you to condemn by your votes.

Under our present system a man may largely determine the amount of his contributions to the Dominion Exchequer. The amount of his tax is always in indirect proportion to his means. If he is rich and can afford to drink champagne, he has to pay a tax of \$1.50 for every bottle he buys. If he be a poor man, he contents himself with a cup of tea, on which there is no duty, and so on all through the list. If he is able to afford all manner of luxuries, he pays a large sum into the coffers of the Government. If he is a man of moderate means and able to enjoy an occasional luxury, he pays accordingly. If he is a poor man, his contributions to the Treasury are reduced to a minimum. With direct taxation, no matter what may be the pecuniary position of the taxpayer—times may be hard; crops may have failed; sickness or other calamity may have fallen on the family—still the inexorable tax-gatherer comes and exacts his tribute. Does not ours seem to be the more equitable plan? It is the one under which we have lived and thrived, and to which the Government I lead proposes to adhere.

I have pointed out to you a few of the material objections to this scheme of Unrestricted Reciprocity, to which Mr. Laurier and Sir Richard Cartwright have committed the Liberal party; but they are not the only objections, nor in my opinion are they the most vital. For a century and a half this country has grown and flourished under the protecting *ægis* of the British Crown. The gallant race who first bore to our shores the blessings of civilization, passed, by an easy transition, from French to English rule, and now form one of the most law-abiding portions of the community. These pioneers were speedily recruited by the advent of a loyal band of British subjects who gave up everything that men most prize, and were content to begin life anew in the wilderness rather than forego allegiance to their Sovereign. To the descendants of these men and of the multitude of Englishmen, Irishmen and Scotchmen who emigrated to Canada, that they might build up new homes without ceasing to be British subjects; to you Canadians, I appeal, and I ask you what have you to gain by surrendering that which your fathers held most dear? Under the broad folds of the Union Jack we enjoy the most

ample liberty to govern ourselves as we please, and at the same time we participate in the advantages which flow from association with the mightiest Empire the world has ever seen. Not only are we free to manage our domestic concerns, but practically we possess the privilege of making our own treaties with foreign countries, and in our relations with the outside world we enjoy the *prestige* inspired by a consciousness of the fact that behind us towers the majesty of England.

The great question which you will shortly be called upon to determine resolves itself into this: Shall we endanger our possession of the great heritage bequeathed to us by our fathers, and submit ourselves to direct taxation for the privilege of having our tariff fixed at Washington, with a prospect of ultimately becoming a portion of the American Union? I commend these issues to your determination, and to the judgment of the whole people of Canada, with an unclouded confidence that you will proclaim to the world your resolve to show yourselves not unworthy of the proud distinction you enjoy of being numbered amongst the most dutiful and loyal subjects of our beloved Queen. As for myself, my course is clear.

A British subject I was born—a British subject I will die. With my utmost strength, with my latest breath, will I oppose the 'veiled treason' which attempts, by sordid means and mercenary proffers, to lure our people from their allegiance. During my long public service of nearly half a century I have been true to my country and its best interests, and I appeal with equal confidence to the men who have trusted me in the past, and to the young hope of the country, with whom rest its destinies for the future, to give me their united and strenuous aid in this my last effort for the unity of the Empire and the preservation of our commercial and political freedom.

I remain, gentlemen,

Your faithful servant,

JOHN A. MACDONALD.

Ottawa, February 7th, 1891."

**The Hon. Wilfrid Laurier, Leader of the Liberal Party,** followed the Manifesto of Sir John Macdonald with an Address to the people, dated

Quebec, February 12th, which dealt at length with the trade and reciprocity issue :

" To the Electors of Canada :

The Parliament elected in 1887, and whose full term was not to expire for a half year, has been prematurely dissolved. The electors of Canada are now hastily called to elect new representatives to the House of Commons. The questions before the people, and upon which they have to pronounce, are of vital importance, and upon these questions Her Majesty's Opposition appeals with great confidence to the sober judgment of the country. To the issues which separate the Government and the Opposition, another consideration is now added in respect of the manner in which Parliament has been dissolved. This premature dissolution deserves the highest censure.

It is to be noticed that Sir John Macdonald in the Manifesto just addressed by him to the electors of Canada makes a strong appeal to the loyalty of the Canadian people, a totally uncalled-for appeal, for in the present contest nothing is involved which in one way or another can affect the existing status of Canada. But loyalty to the Crown of England would also and in no less a degree imply loyalty to those institutions which we have received from England, and to which the people of this country have ever clung as embodying the best principles of government. I submit to the consideration of the people of Canada that if to the advisers of His Excellency the word 'loyalty' was anything but a sham, they never would have advised His Excellency to dissolve Parliament, for they have thereby placed the Crown in the most painful position of having broken faith with the Commons and the people.

By the operations of the Franchise Act the Government have practically taken into their own hands the annual preparation of the lists prepared by the municipal authorities under Provincial law. It is eminently desirable that the lists should be prepared and revised at least every year, for the obvious reasons that thousands of electors are every year coming to manhood's estate and to the rights of citizenship. During last session the Government introduced a Bill providing that the preparation of the list, which under the law was to take place in the month of June now

past, should be dispensed with. The reason given for this course was that no general election was to take place before the revision of the lists in June of the present year. Upon the assurance thus given by the Ministers of the Crown, Parliament agreed in the proposition, and thus the usual revision did not take place. The consequence is that at this moment, when Parliament is dissolved, thousands of electors who, by law, are qualified to vote, will be denied the exercise of their Right of Suffrage.

Parliament never did the advisers of His Excellency the injury of supposing when they made the above proposition that they were not sincere. Had Parliament supposed that the pledge then given in the name of the Crown would be violated, that the electorate might be at any moment called upon to act, Parliament never would have agreed to the proposition of the Government and would have insisted that the revision should take place as usual. It is manifest that under such circumstances the power of dissolution should not have been advised except for the most cogent, sudden and imperative reasons. I will not dispute that if some extraordinary event had suddenly taken place which required the immediate judgment of the people, a dissolution might have taken place even though the appeal lay to an imperfect electorate; but has any such event taken place? No, not even in the opinion of the advisers of the Crown, and I charge it upon these men, ever prone to fasten upon their opponents the odium of disloyalty, that they have compelled the Crown to an act which in the Motherland never would be tolerated.

I call the attention of the people of Canada to the fact that in the Manifesto of the Prime Minister not a word is uttered, not the slightest attempt is made to justify the course advised by him to the Crown, thus plainly showing that his position in this regard is absolutely untenable. The power of dissolution is one of those powers which under the constitution rightly belongs to the Crown, but which should be exercised only for adequate causes. Its present exercise is a blow at the Parliamentary system of government which no Prime Minister would have attempted in England, or which, if attempted, would have been unflinchingly resented by the people.



We have been led to suppose by the Ministerial press that the dissolution was taking place with the view of consulting the Canadian people upon the advisability of sending Commissioners to Washington for the purpose of attempting to negotiate a Treaty for the reciprocal exchange of natural products between the two countries. Indeed, we have been informed that overtures in that respect had been made to the Imperial Government, yet, strange to say, of this not a word is to be found in the Manifesto of the Prime Minister. In this Manifesto Sir John Macdonald appeals to the people upon the merits of the N. P., and upon nothing else. Her Majesty's Opposition accept the contest on this ground. Sir John Macdonald asserts, and seems seriously to assert, that the N. P. has made the country prosperous, 'that the manufacturing industries in our great centres have revived and multiplied, that the farmer has found a market, the artisan and labourer employment and good wages.'

I take issue with the Prime Minister upon such statements. I characterize them as false in every particular. This controversy, without any argument, I leave to the dispassionate judgment of the electoral body, fully expecting that every artisan, every farmer who feels in his heart that the N. P. has done for him all that is here claimed would naturally vote for the continuance of such a blessing, while on the other hand every artisan who has to work on half time and at reduced wages in these so-called revived centres of industries, every farmer whose farm has been steadily decreasing in value for the last ten years, would naturally be expected to vote for reform.

I arraign the N. P. upon every claim made in its behalf. I arraign it in this especially, that it was, in the language of its authors, to stop the course of emigration and give employment and good wages to every child of Canada, and that it has been in this respect not only a failure but a fraud. It was stated in 1878 by Sir John Macdonald himself that there were half a million of Canadians in the United States, and now, after eleven years of the N. P., the number has been swelled from a half million to a full million at the lowest estimate. Her Majesty's Opposition submit that such a state of things in a country of such immense resources as Canada is intoler-

able, and that a reform is absolutely required.

The reform suggested is absolute reciprocal freedom of trade between Canada and the United States. The advantages of this policy we place upon this one consideration: that the producing power of the community is vastly in excess of its consuming power; that, as a consequence, new markets have to be found abroad; and that our geographical position makes the great neighbouring nation of 63,000,000 people of kindred origin our best market. Indeed, the advantages of this policy are so various that they are not denied, nor the statement of the same contradicted, but three objections are raised against it. It is asserted (a) that this policy would discriminate against England; (b) that it would make direct taxation unavoidable; and (c) that it is 'veiled treason' and would lead to annexation.

(1) The charge that Unrestricted Reciprocity would involve discrimination against England cannot have much weight in the mouth of men whose policy was protection, whose object was to do away with the importation of English manufactured goods, whose object was to destroy British trade to that extent. It is as well, however, to meet this charge squarely and earnestly. It cannot be expected, it were folly to expect, that the interests of a Colony should always be identical with the interests of the Motherland. The day must come when from no other cause than the development of national life in the Colony there must be a clashing of interests with the Motherland, and in any such case, much as I would regret the necessity, I would stand by my native land. Moreover, the assertion that Unrestricted Reciprocity means discrimination against England, involves the proposition that the Canadian tariff would have to be assimilated to the American tariff. I deny the proposition. Reciprocity can be obtained from an assimilation of tariffs, or upon the retention of its own tariff by each country. Reciprocity is a matter of agreement, to be attained only by mutual concessions between the two countries. Should the concessions demanded from the people of Canada involve consequences injurious to their sense of honour or duty, either to themselves or the Motherland, the people of Canada would not have reciprocity at such a price; but to reject the idea of reciprocity in advance, before a Treaty has

been made, on account of consequences which can spring from the existence of a Treaty, is manifestly as illogical as it is unfair.

(2) Then it is stated that Unrestricted Reciprocity would be followed by such a loss of revenue as to necessitate the imposition of direct taxation. Again, this afar-off, hazy consequence to be pitted against an immediate result. The loss of revenue means a decrease of taxation to the extent of that loss. The equilibrium between revenue and expenditure could be naturally re-established by retrenchment in expenditure and by re-distributing taxation under the same methods that now obtain, and without inflicting any greater burden than is now borne by the people.

(3) The charge that Unrestricted Reciprocity is 'veiled treason' is a direct and unworthy appeal to passion and prejudice. It is an unworthy appeal even when presented with the great authority of Sir John Macdonald's name. As to the consequent charge that Unrestricted Reciprocity would lead to annexation, if it means anything it means that Unrestricted Reciprocity would make the people so prosperous that, not satisfied with a commercial alliance, they would forthwith vote for political absorption in the American Republic. If this be not the true meaning implied in the charge, I leave it to any man's judgment that it is unintelligible upon any other ground.

The premature, uncalled-for, unjustified and unjustifiable dissolution of Parliament will force an imperfect electorate to pronounce upon a question which the Government, if they believe they are in the right, would have deemed it to their advantage to see subjected to the amplest and fullest discussion. It also closes the door upon the investigation of grave charges reflecting severely on the administration of one of the great departments of State, and as to which any Government careful of its honour or strong in the convictions of its innocence would have courted early and full inquiry in the high court of the nation. The Opposition hold that the trade question in the present contest must take precedence of all others, and to the solution of the same on the basis above indicated they are prepared to give unflinching devotion until complete and final triumph.

Believing that no other reform can be effectually

advocated and carried out so long as the economic condition of the people has not been placed upon the most satisfactory condition on the other questions still remaining unsolved, the policy of the Opposition remains on the broad lines laid down in former years. In the future, as in the past, it will strive to maintain the Constitution in the spirit in which it was conceived, to perfect it where perfectable, to keep intact Provincial autonomy, and in every manner to promote harmony, good-will and good fellowship between all races, all creeds and all classes in the land.

(Signed) WILFRID LAURIER."

**The letter written by President William C. Van Horne, of the Canadian Pacific Railway, to the *Montreal Witness* on February 27th, 1891, was an important document, and, apart altogether from its political influence, represented in the following extract a view held by many leaders of Canadian trade and commerce :**

"I do not wish to lead you into the labyrinths of trade and industrial questions relating to Unrestricted Reciprocity, nor to point out all, or even many, of the interests that would be damaged by it, for there are thousands of them. Let me ask you to look at a correct map of the United States and Canada, showing all the existing transportation routes, both rail and water, and consider what would be the effect on the wholesale trade of Montreal and Toronto of throwing open the door of our North-West to St. Paul and Chicago, the former with single houses doing a business of \$10,000,000 annually, and the latter with single houses reaching beyond \$40,000,000. Consider the effect, not alone on our wholesale trade but on our ocean steamship interests and our railway interests, of throwing Ontario and the whole of the Dominion open to New York, not forgetting that the conditions and methods of trade have radically changed since Canada last had free trade with the States.

And while you are looking at the map it might occur to you that the connections at Sault Ste. Marie, to which you have referred, were established with the primary object of taking advantage of our geographical situation and affording the shortest possible route for the products of the north-western States to Atlantic steamships

plying from Canadian seaports—Montreal, Quebec, St. John and Halifax—which was the fact; and in this connection I may as well remind you that the Lachine Bridge, to which you have referred, is part and parcel of the Atlantic and North-West Railway, which was built to give the Canadian Pacific Railway access to the Canadian seaports, St. John and Halifax, although it incidentally afforded a valuable connection with the New England States. . . . How long, think you, would the great cotton mills of New England continue to use distant China as a dumping ground for their surplus products if they could dump them right here in Canada? And where would the great flouring mills of the Western States dump their surplus—in Canada or in Europe? But I might go on with such questions for a week. I will be content if the *Witness* will answer those already asked. The *Witness* could hardly have been serious in suggesting the saving to the C. P. R. in the cost of its supplies as an offset to the results of Unrestricted Reciprocity, or in suggesting that it would make a great deal of money in carrying American goods when Canada should become a slaughter market. On the same principle, it might make a great deal of money out of a famine somewhere in the Dominion."

**The United States Tariff Measure of 1897**, better known as the Dingley Bill, revived nearly all the stringent McKinley enactments of 1890 against Canadian products. Its chief features, as compared with the Democratic legislation of 1894, called after Congressman Wilson, were as follows:

	Wilson Bill.	Dingley Bill.
Cattle less than a year old.....	20 per cent.	\$2.00 per head.
Other cattle worth not more than \$14.00.....	20 "	3.75 "
Cattle worth more than \$14.00.....	20 "	27½ per cent.
Hogs.....	20 "	\$ 1.50 per head.
Horses worth not more than \$150	20 "	30.00 "
Horses worth more than \$150	20 "	25 per cent.
Sheep not less than a year old.	20 "	\$1.55 per head.
Sheep less than a year old.....	20 "	.75 "

	Wilson Bill.	Dingley Bill.
Barley.....	30 per cent.	.30 per bush.
Barley malt.....	40 "	.45 "
Buckwheat.....	20 "	.15 "
Corn.....	20 "	.15 "
Cornmeal.....	20 "	.20 "
Oats.....	20 "	.15 "
Oatmeal.....	15 "	.01 per lb.
Rye.....	20 "	.10 per bush.
Wheat.....	20 "	.25 per cent.
Flour.....	20 "	.25 "
Butter.....	4c. per lb.	.06 per lb.
Milk (fresh).....	Free.	.02 per gal.
Beans.....	20 per cent.	.44 per bush.
Eggs.....	3c. per doz.	.05 per doz.
Hay.....	\$2.00 per ton.	4.00 per ton.
Honey.....	10c. per gal.	.20 per gal.
Hops.....	8c. per lb.	.12 per lb.
Onions.....	20c. per bush.	.40 per bush.
Potatoes.....	15c. per bush.	.25 per bush.
Straw.....	15 per cent.	1.50 per ton.
Vegetables.....	10 per cent.	.25 per cent.
Fresh-water fish.....	.....	.00½ per lb.
Apples.....	20 per cent.	.25 per bush.
Peaches, plums, pears.....	Free.	.25 per bush.
Berries.....	.....	.01 per quart.
Cranberries.....	"	.25 per cent.
Grapes.....	20 per cent.	.20 cubic ft.
Bacon and hams..	20 "	.05 per lb.
Fresh beef, veal, mutton, pork...	20 "	.02 "
Lard.....	1c. per lb.	.02 "
Poultry (live).....	2c. "	.03 "
" (dead).....	3c. "	.05 "
Tallow.....	Free.	.00½ "
Salt (in packages).	"	.12 per cwt.
" (in bulk).....	"	.08 "
Wool.....	"	11 to 12c. "
Hides.....	"	20 per cent.
Flax.....	"	\$5.00 per ton.
Lumber.....	"	\$2.00 per 1,000 ft.
Paving posts, ties, telegraph and telephone posts, etc.....	"	20 per cent.
Clapboards.....	"	\$1.50 per 1,000 ft.
Fence posts.....	"	10 per cent.
Laths.....	"	25c. per 1,000
Pickets, palings, staves.....	"	10 per cent.
Shingles.....	"	30c. per 1,000
Manufactures of wood.....	25 per cent.	35 per cent.
Wood pulp (mechanical).....	10 per cent.	1½c. per lb.
Wood pulp (chemical).....	10 per cent.	½c. per lb.

	Wilson Bill.	Dingley Bill.
Coal, bituminous.	40c. per ton.	67c. per ton.
Lead, contained in silver ore.....	$\frac{1}{4}$ c. per lb.	$1\frac{1}{4}$ c. per lb.
Machinery.....	35 per cent.	45 per cent.

On live stock, wheat, flour, butter, eggs, milk, hay, potatoes, oats, rye, wool and agricultural products generally, the Dingley Bill restored the almost prohibitory duties of the McKinley Bill. On all the articles of the lumber schedule it also re-enacted the McKinley duty, and on white pine lumber it doubled that duty. The single important article of Canadian production on which a rate lower than the McKinley duty has been struck is bituminous coal. That on which the McKinley duty was 75 cents a ton and the Wilson duty 40 cents, was taxed 67 cents a ton under the Dingley Bill. There were a few other features of the Bill which seem to have been inserted out of special consideration for Canada. To the lumber schedule a clause was added providing for the addition of an extra duty on lumber coming from a country which puts an export tax on saw-logs, etc., the extra duty to be equal to such export tax. A similar clause was inserted in the paragraph prescribing the duty on wood pulp, the extra duty in that case being for retaliation against an export tax on pulp wood. In the item fixing the duty on printing paper, it was also provided that in addition to the regular duty one of one-tenth of a cent per pound should be levied on printing paper coming from countries levying an export tax on pulp wood. These clauses were apparently intended to prevent Canada from passing any protective legislation in connection with its timber interests or pulp industry.

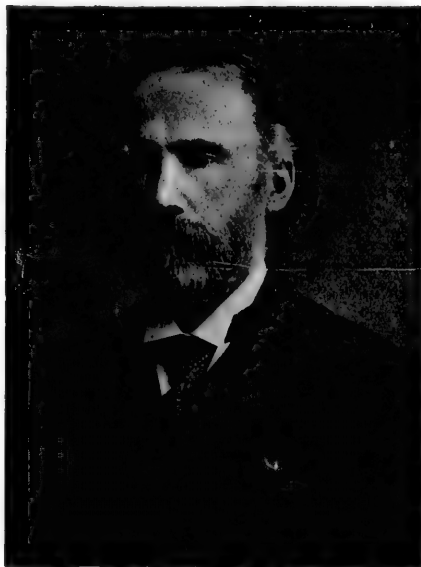
**The Question of Reciprocity between Canada and the United States** has taken many forms. The following extract from a speech by the Hon. G. W. Ross, Ontario Minister of Education, on January 15th, 1897, may be fairly said to embody the current opinion of the great mass of the Canadian people, and is therefore worthy of historic remembrance:

"A treaty to be satisfactory to the people of Canada, as I understand the matter, should only be considered upon the following conditions:

I. It must be purely, from start to finish, a

business agreement, that is to say, it must in no sense involve concessions on our part for which the corresponding concessions on the part of the United States are not the equivalent.

II. In order to obtain an entrance to the American market, no territorial right of any kind whatsoever should be surrendered in consideration of any commercial concession by the United States. Canadians went far enough in this respect by the Washington Treaty, when they conceded to the Americans the free navigation of our canals and the St. Lawrence River, for which the corresponding concessions were inadequate.



The Hon. G. W. Ross.

III. The stipulations of such treaty should not even by implication contain any condition which would give the American Government any direct or indirect control over the political future of Canada. It may be said that if we establish trade relations with the United States, the repeal of which by-and-bye might seriously prejudice our financial prosperity, we would by the very force of circumstances be driven into political union. About one-third of the whole trade of Canada is

now with the United States, and still our national honour has not been corrupted! Why should an extension of such trade have any debasing effect, or why should a distinct treaty for facilitating that trade undermine our national integrity? If, by enlarging our trade with the United States, the country should become more populous and more wealthy, the very contentment which would be produced would suppress all restlessness with regard to the permanence of existing institutions, and be, to my mind, one of the best guarantees of national autonomy.

IV. While, in framing a treaty with the United States, as in framing a tariff, in the nature of things we are bound to consider our own interests first, still in no treaty with the United States should we discriminate against the Mother Country. Putting the matter on commercial grounds, it would be most ungenerous on our part for the purpose of adding a few thousands, or even millions, to our trade for a specified number of years, to close out the manufactures of Great Britain, to whose home markets we have had practically free access since the repeal of the Corn Laws. Putting it on national grounds, it would be unpardonable for us to allow the manufactures of an alien nation greater privileges in the Canadian market than we would allow the manufactures of the Mother Country. If we cannot trade with honour let us not trade at all.

V. While such a treaty should embrace manufactured goods, as well as natural products, care should be taken not to allow the industries which have been built up in Canada by the intelligence and energy of our own people to be sacrificed in order that American manufacturers might find a market here. What we do not produce ourselves, as well as goods in the manufacture of which we have equal facilities with the United States, might be legitimately subjects of the treaty; but to destroy a native industry in order that we might buy foreign goods would not be statesmanship, nor even good politics.

VI. To appear as suppliants for freer trade relations with the United States should not be thought of. For thirty years we have existed, and have prospered, too, in the face of an American tariff which was all but prohibitory. Any undue anxiety on our part to enter the American market

now, would be an expression of want of confidence in the capacity of Canadians to do business with the world on the same conditions as other nations. Such a confession of weakness is not called for in this last decade of the nineteenth century, and would not increase our chances in negotiating a reciprocity treaty which would do justice to Canada. The true national spirit is not begotten of cowardice and self-abasement."

**Two Leaders of the Liberal Party** expressed views of considerable importance regarding Canadian and American trade relations in letters written to Mr. J. F. Lane, President of the Boston (U.S.) Merchants' Association, regretting their absence from a Banquet given in Boston on December 28th, 1887. Amongst those present were the Hon. J. W. Longley, of Nova Scotia, Hon. Peter Mitchell, M.P., of Montreal, Senator Macdonald and Mr. William Mulock, M.P., of Toronto; U.S. Congressmen Hitt, Nelson Dingley, Rogers and McKenna, and U.S. Senator Hoar, Mr. Erastus Wiman, and Mr. Francis B. Thurber. The letter from the Premier of Nova Scotia was as follows:

"I regret that my public engagements will not permit me to accept your very kind invitation to the annual Dinner of the Boston Merchants' Association. I am very glad to find that the merchants of your city are manifesting a lively interest in the important question of the trade relations between the United States and the British Provinces. While in my official capacity as Premier of Nova Scotia I am not called upon to deal directly with matters of trade and commerce, I nevertheless feel a very deep interest in the subject which is to be considered at your gathering. With large opportunities of gauging the public opinion of this Province, I have no hesitation in saying that there is a general desire among our people to see the existing difficulties between the States and Provinces settled by the adoption of a liberal arrangement for closer trade relations, always provided that such settlement can be effected in a manner honourable to both parties. Whether the arrangement shall be called free trade, reciprocity, unrestricted reciprocity, or commercial union, is of little consequence. The name is but the shadow. It is the substance with

which we have to deal, and the substance is the largest possible measure of freedom of exchange for the products of the two countries.

In the period of the old Reciprocity Treaty we had an experience which enabled us to realize the advantages of liberal trade relations. The Provinces undoubtedly gained by that treaty. Fortunately the doctrine is no longer taught in matters of trade that the gain of one party is necessarily the loss of the other. The Reciprocity Treaty was a good thing for the Provinces, and a good thing for the States as well. Nowhere could this be better understood than among the merchants of Boston, with which city the people of the Maritime Provinces have long had very intimate business relations.

There are on both sides of the line men who, for selfish or party reasons, are disposed to prevent the consummation of such a Treaty as would happily settle present complications and open the natural channels of trade which have been too long obstructed. Let us hope that their efforts against the best interests of the whole people will fail. It is to be regretted that some persons on your side of the boundary associate the question of political connection with that of trade connection. While unscrupulous writers in these Provinces, for purposes which are well understood here, characterize almost every advocate of closer trade relations with the States as an annexationist, it is not surprising that Americans should receive the impression that the majority of the people of the Provinces, or at all events a very large proportion of them, are seeking a political union of their country with your Republic. Be not misled with anything of the kind. Undoubtedly there are in the Provinces advocates of annexation to the United States. Claiming as we do the largest freedom of speech in public matters, we recognize the right of those to express their views from the house-tops if they wish to do so. But you may rest assured that the great mass of the people of the Provinces are warmly attached to British institutions and are as ready to resent suggestions of political union coming from the other side of the line as you and your fellow-citizens would be to resent anything of the same kind from this side. But there is no reason why our

political differences should prevent the establishment of such commercial relations as are calculated to be advantageous to both countries. 'Providence has made us neighbours, let wisdom make us friends.' So said a distinguished American statesman in a recent letter. The sentiment should be heartily endorsed by all who desire peace, happiness and prosperity on this continent. Trusting that your gathering may be very successful and instrumental in advancing the good cause.

I am, yours faithfully,

W. S. FIELDING."

The letter from Sir Louis H. Davies, who for many years had led the Liberal party in Prince Edward Island, and is now (1897) Canadian Minister of Marine and Fisheries, was also of interest and importance. Like Mr. Fielding's, it was dated December 5th, and read, in part, as follows:

"I have to thank you for your very kind letter extending to me an invitation to attend as the guest of the Association the annual Dinner in Boston on the 28th of this month. I appreciate, I can assure you, the compliment very much. Nothing would give me greater pleasure than being able to accept and say a few words on behalf of my native Province. The assemblage, as you say, will embrace some of your most distinguished men, and your object is to express your goodwill toward our people and to promote better commercial relations between the people of the New England States and those of the Maritime Provinces. Probably none of the Canadian Provinces are more deeply interested in the extension of free trade relations with the United States than Prince Edward Island. We find with you a ready and natural market for our surplus productions, whether taken from the soil, the sea, or the forest; and we are ready in return, if permitted to do so, to purchase our supplies largely. Inheriting the same spirit and traditions, why should we be prevented by arbitrary and unnatural laws from trading together? We do not seek a one-sided contract. We are perfectly willing to admit your fishermen to the richest fishing grounds of the world, provided you, on your part, will admit our productions freely into your market. Many of our people are frightened at the term Commercial Union, fearing it may involve a political union also. Though I do not myself share these fears, I think the friends of Unrestricted Reciprocity would not act wisely in clinging to a phrase. We want the substance—free trade with the States—call it by what you will."



**The Hon. George E. Foster, Minister of Finance,** during the General Elections of 1891 issued an Address to the electors of King's County, New Brunswick—12th February—which is of importance from an historical standpoint:

"The policy of the Government has been to assist in developing foreign markets for our natural and manufactured products, and to that end they have liberally subsidized lines of steamers to the West Indies, China and Japan, and the Mother Country. Proposals for reciprocity with the British West Indies have been made by myself in person, acting for the Government, and I have good grounds for believing that a large and profitable trade may be opened up with those islands for most of our natural and many of our manufactured products. In its trade policy with the United States, the Government have always favoured a fair and just measure of reciprocity, and have made repeated propositions looking in that direction. Until lately, however, the United States have made no favourable response. Now, however, in the course of diplomatic correspondence, the Government of that country, through its Secretary of State, has intimated its willingness to enter into a Conference upon this matter with the Dominion Government, and has declared its readiness to commence this Conference after March 4th. The trade issue is the great issue in this contest, and it is of the utmost importance that each elector should have a clear idea of the points of difference between the two parties.

The Opposition declare for Unrestricted Reciprocity, or Commercial Union, with the United States. This means and only can mean:

1. That no tariff duties are to be levied on any products of either country passing into the other.
2. That Canada is to adopt the tariff of the United States, which is, on an average, twice as high as our own.
3. That we are virtually to give up the power of making our own fiscal laws—a thing which no free people has yet been craven enough to do.
4. That the tariff of the United States is to apply to all British and foreign imports—that is, that while Canada admits United States imports free of duty, she must discriminate against Great Britain and the rest of the world, and virtually

prohibit the great part of the imports which now come in therefrom.

5. That loss and ruin will result to our manufacturing industries, to our seaport towns, to our wholesale business, and, consequently, to our farmers.

6. That Canada will lose more than half her present revenue, which will have to be made up by direct taxation. I estimate the loss of revenue at \$18,000,000 per year. The direct tax necessary to recoup this will be equivalent to \$3.60 per head, or \$18 for each family of five.

7. That ultimately the bond which now unites us to the Motherland will be severed, and that Canada will become a part of the United States.

Please consider all that is involved in such a policy, and then contrast it with the policy of the present Government, which is:

1. To continue to develop home industries, and the agricultural, mineral and other resources of the country on the lines laid down since 1878.

2. To keep in our hands the power of framing our own tariff according to our own necessities.

3. Not to discriminate against Great Britain—our Motherland and the great market for our products.

4. To raise our revenue by indirect taxation on Customs and Excise, and not by direct taxation.

5. To meet the United States in a friendly way, and negotiate with them for a reciprocity arrangement on lines that shall be just and equitable, and in accord with the honour and best interests of Canada, so far as it can be done without infringing upon the lines above laid down."

**The Hon. J. A. Chapleau, M.P., at that time** Canadian Secretary of State, delivered a characteristically eloquent address upon the occasion of a banquet given by the Commercial Club of Providence, Rhode Island, U.S., on November 28th, 1891. The speech was an elaborate presentation of the relations between the two countries, and the following references to Reciprocity are of historical value:

"The history of Reciprocity negotiations, profers, laws and reports shows that Canada has always been favourable towards fair and friendly trade relations with the United States. In 1847, an address was moved in the Legislative Assembly of



Canada, praying that negotiations would be entered into with the Government of the United States to procure the admission of Canadian products for consumption in their markets, on the same terms as the products of the United States are admitted for consumption into Canada; and that perfect reciprocity may be established between the two countries. In this same year the old Province of Canada passed a law reducing rates on impost duties on United States products from  $12\frac{1}{2}$  to  $7\frac{1}{2}$  per cent., and raising the rate on British imports from 5 to  $7\frac{1}{2}$  per cent.

This measure was passed, relying on the supposed willingness of the United States to negotiate a fair treaty of reciprocity between the two countries; it gave an immense advantage to the exporters of the United States, but no corresponding legislation was enacted by that country nor was reciprocity granted. In 1849 an Act was passed, enacting that whenever, under any law of the United States of America, the articles enumerated in the Schedule of this Act annexed, being the growth or production of this Province, shall be admitted free of duty into said United States of America, their similar articles, being the growth or production of the said United States, shall be admitted into this Province free of duty when imported direct from the United States. A similar Bill was reported by the United States Congress Committee on Commerce and passed by the House of Representatives, but failed of consideration in the Senate in both 1848 and 1849. In 1850 Sir Francis Hincks visited Washington on behalf of the Canadian Provinces and addressed an able letter to the Chairman of the Committee on Commerce in favour of the adoption of a measure of reciprocity on the basis followed by the Canadian Act of 1849. His efforts failed and the United States Senate refused to act."

There are a number of speeches and documents which may be consulted with advantage in connection with the history of Canadian commerce and international trade relations. Some of the most important official communications may be found in the following Sessional Papers of the Province of Canada prior to Confederation in 1867 and of the Dominion of Canada after that event:

Volume 17	Appendix	1854-55
" 4	Number 26	1859
" 5	" 30	1860
" 5	" 38	1860
" 5	" 23	1862
" 5	" 47	1869
" 6	" 40	1873
" 8	" 51	1874
" 18	" 13	1885

The Journals of the Canadian Assembly and the House of Commons should also be consulted for 1865, 1876, 1877 and 1883. The following are the most important speeches and documents dealing with the modern phases of Canadian and United States trade relations, together with a reference to the places in which they may be found:

- 1887. Mr. Wiman at the New York Board of Trade.—*Toronto Mail*, February 23rd.
- 1887. Sir Richard Cartwright at Ingersoll.—*Toronto Globe*, October 14th.
- 1887. Edward Atkinson's letter to New York Chamber of Commerce.—*Montreal Witness*, November 24th.
- 1887. Merchants' Club Banquet at Boston, U.S.—*Toronto Mail*, December 29th.
- 1889. Mr. Wiman interviewed at Chicago regarding Commercial Union.—*Toronto Globe*, October 5th.
- 1890. Mr. Wiman lectures at London, Ontario.—*Globe*, January 13th.
- 1890. Sir Richard Cartwright speaks at Pembroke and Meaford.—*Globe*, October 24th and December 13th.
- 1891. Mr. Charlton addresses the Toronto Young Men's Liberal Club.—*Globe*, January 7th.
- 1891. Mr. E. W. Thomson's letters on Unrestricted Reciprocity.—*Toronto World*, January and February.
- 1891. Sir Richard Cartwright speaks at Boston, U.S.—*Globe*, February 7th.
- 1891. Mr. Blake publishes his Address to the Electors of West Durham.—*Globe*, February 11th.
- 1891. Sir John Macdonald addresses a mass meeting in Toronto.—*Toronto Empire*, February 17th.
- 1891. Sir Charles Tupper speaks at Windsor.—*Empire*, February 23rd.

1891. Mr. Laurier speaks at a Boston Banquet.—*Globe*, November 27th.
1891. Sir Oliver Mowat publishes a letter addressed to Mr. Mackenzie.—*Globe*, December 14th.
1892. Mr. David Mills speaks at Highgate, Ontario.—London *Advertiser*, December 3rd.
1893. Mr. Charlton at Waterford, Ontario.—*Globe*, November 23rd.

No reference is made here to the many speeches in the House of Commons delivered by party leaders. They may be consulted in the Hansard Reports during each year's Budget debate, or in connection with the Parliamentary Resolutions which have been presented from time to time and which are quoted elsewhere in this volume. Nor

is special reference made to the official documents already given in part or in full.

A number of United States official papers may also be consulted with advantage. The chief of these are the Message of President Taylor upon Reciprocal Trade with Canada in "House Executive Documents," 1849-50, Volume 8, No. 64; a special Message of President Fillmore in "House Executive Documents," 1852-53, Volume 4, No. 40; a Report of Committee on Commerce, "Documents," 1852-53, No 4; the Reports of Israel T. Hatch and James W. Taylor, "Documents," 1859-60, Volume 13, No. 96; a Letter from the Secretary of the Treasury, "Documents," 1863-64, Volume 9, No. 32; the Congressional Globe, Part 3, 1864, May 18th to 26th, and Part 1, 1865, January 11th and 12th.

## THE COMMERCIAL UNION MOVEMENT

**Mr. Erastus Wiman, of New York**, the persistent and enthusiastic advocate of an American Zollverein, contributes to this work the following sketch of the movement and policy with which his name is so thoroughly identified:

"The origin of the movement in Canada known as Commercial Union, so far as it can be traced by those most familiar with it, may be said to have sprung from a suggestion by Mr. S. J. Ritchie, a resident of Akron, Ohio. This gentleman by acquisition of dominant interests in the Central Railroad of Ontario—subsequently expanded into important developments of the vast nickel deposits at Sudbury Junction—had become almost a resident of Canada, through his frequent and prolonged visits in the country. A man of large comprehension of great subjects, a natural-born student of economic conditions, and above all profoundly impressed with the field of opportunity which Canada offered, Mr. Ritchie early realized the enormous importance of breaking down the commercial barrier that cut the continent commercially in two. He realized that by bringing the two English-speaking nations that occupied this continent in common into closer commercial relations, it would cause a development as great on the northern side of the line as that which had occurred on its southern side. The subject

profoundly moved him, as it will move anyone who looks at it dispassionately and purely from a material point of view.

Mr. Benjamin Butterworth, a distinguished member of Congress from Ohio, now United States Commissioner of Patents, was and is still the legal counsel of Mr. Ritchie, as also his most intimate friend. At the suggestion of the latter, Mr. Butterworth introduced into Congress, in the Session of 1887, a Bill looking to a closer commercial relation between the United States and Canada. It would have been impossible to have selected a man better fitted for the task of promoting this great and beneficial enterprise than Mr. Butterworth. Earnest, intelligent and eloquent beyond almost any of his compeers in Congress, and representing a central location in Ohio, he possessed just the requisites to attract attention to so great a project as that which his Bill proposed.

My own connection with the movement, at its inception, consisted of immediately writing to Mr. Butterworth, whom I had known in relation to Congressional legislation for Staten Island, thanking him for having taken up a subject so fraught with advantage to my native country, and equally full of benefit to the people of the United States. As commercial reporter on the *Globe*

newspaper in Toronto, I had been familiar with the enormous advantages which had resulted to Canada from the reciprocity prevailing between the two countries in natural products and which terminated in 1866. I had for years in the Toronto grain market climbed up on the farmers' waggons to ascertain for myself the price of wheat in order to report it accurately ; I had kept close watch upon the growing export trade in wheat, barley, lumber, and all other natural products to Oswego and other Lake Ontario ports, and had received from the Toronto Board of Trade my first



Erastus Wiman.

gold watch as a substantial recognition of my services in respect to these figures. These, with the visible signs of prosperity throughout Ontario, every township of which had been personally visited by me in connection with the Mercantile Agency, made me more than almost any other man familiar with the enormous consequences that had followed a free market on the American side for Canadian products. Indeed, the saddest day in my early life as a young man was the day on which that Treaty expired;

and the most eventful scene in my commercial life had been the occasion when, at an International Convention held in Detroit, a letter was read from the American Consul-General, Mr. Potter, stationed at Montreal, in which he gave it as the deliberate result of his observations that so valuable and essential had the free interchange of products become, that rather than lose the Reciprocity Treaty, Canadians would renounce their fealty to Great Britain and seek annexation to the United States. This announcement was vigorously and immediately repudiated by the Canadian Delegates present, and in a never-to-be-forgotten speech, by Joseph Howe of Nova Scotia, a seal was set to the loyalty of Canada to the Motherland that has never been and never can be broken.

In a communication to Mr. Butterworth, I not only thanked him most heartily for the introduction of his Bill into Congress, and volunteered to devote myself to its advocacy in Washington and before commercial bodies in the chief cities of the Union, but pledged myself also to advocate it in Canada. At that time I was in receipt of an income of fifty thousand dollars a year, and was prosperous beyond the ordinary lot of men. I determined to devote a portion of my income to the promotion of this cause, for, as before expressed, it was impossible from my previous training and my perfect knowledge of Canada on the one hand, and on the other, of the United States, not to realize the enormous consequences that would flow to both from breaking down the barrier between them.

In, I think, April, 1888, I had the good fortune to meet at Old Point Comfort, a winter resort in Virginia, Professor Goldwin Smith, who had journeyed there from Washington where he is a familiar figure. I found the Professor much interested in the objects contemplated in Mr. Butterworth's proposal, and as at that time the matter had been thoroughly discussed in the Canadian papers, it was natural that he and I should spend the leisure of a winter holiday in talking over its possibilities, and the way in which it could be best promoted. I had felt the necessity of some designation for the movement, and suggested that he should, with his great knowledge, give it a name, whereupon he suggested that of "Commercial Union." The name seemed aptly chosen,

for it implied and meant all that was in view in the movement then taking shape and form. It is true that Political Union had been discussed in Canada and in the United States, and that there were not a few who felt that eventually such a movement might take shape and form. The Professor had not made a secret of his own views on that subject, but those who looked closely and practically at the possibility of Political Union felt it too remote, too uncertain, to have any tangibility of practical success. With Commercial Union, on the other hand, there was the same kind of practicability as had been experienced with the Reciprocity Treaty, which had been in such beneficent operation for ten years prior to 1866, and which, far from having been contributory to the political absorption of Canada, had had no such effect. A precisely opposite result had followed its repeal.

The project of Commercial Union, as I understood it, was simply this: That there should be no Customs line whatever between the United States and Canada; that the two countries should make a uniform tariff, which, while not operating against each other, should be operative against the whole world. In other words, that the tariff line which now cuts the continent in two, and which, like a barbed wire fence made it impossible for one brother to trade with another brother a bushel of potatoes for a bushel of apples without paying tribute to both Governments beyond the cost of production—that this tariff, instead of running across the continent, should be lifted up and placed around it. Further, that all the revenues derived from Customs and internal national taxation should be put into a pool, and divided in proportion to population. The result of this latter operation, so far as Canada was concerned, would have been advantageous.

It is difficult at this distance to recall the gradual steps which led up to the adoption by the Liberal party of Canada, as the chief plank in its platform, of Unrestricted Reciprocity. But visits to Canada, at all the chief centres of opinion, and a clear presentation by myself of the possibilities in the United States of some great change in the relations between the two countries, had led leaders and others in authority in Canada to believe that if sincere overtures were made, a

response would be had that would be successful. In order to convince Canadians that practical results would follow a Liberal victory in Canada favourable to better relations, another movement was made in Congress. This took the shape of a Resolution passed at the instance of the Committee of Foreign Affairs, over which presided then, as he does to-day, the Hon. Robert R. Hitt, of Illinois. Mr. Hitt enjoyed to a marked degree the confidence of Mr. Blaine, the then head of the Harrison Administration, in which he was Secretary of State. Few men in the country were as well informed upon Canadian affairs, and no public man in the United States, either then or now, more correctly estimates the attachment of Canada to Great Britain, and the utter folly of any attempt toward a political union of the two countries. It is important to bear this in mind, not only because of what Mr. Hitt has achieved in the past, but what he may attempt to achieve in the future in regard to the relation between the two countries. The "Hitt Resolution," as it came to be called, was very simple in its scope and was as follows:

"Resolved: That whenever it shall be duly certified to the President of the United States that the Government of the Dominion of Canada has declared a desire to enter into such commercial relations with the United States as will result in a complete or partial removal of all duties upon trade between Canada and the United States, he shall appoint three Commissioners to meet those who may be designated to represent the Government of Canada, to consider the best method of extending the trade relations between Canada and the United States, and to ascertain on what terms greater freedom of intercourse between the two countries can best be secured, and the said Commission shall report to the President, who shall lay the report before Congress."

This Resolution on a unanimous recommendation of the Committee on Foreign Affairs passed the House of Representatives (Session 1890), and was the action which justified the Canadian Liberal party in the belief that if they were returned to power, a condition of Unrestricted Reciprocity could be created between the United States and Canada. The people of Canada at the general election did not accept this interpretation. While it

was true the Conservative majority was reduced from seventy to twenty, nevertheless the result was fatal to the hopes of the Liberal party at that juncture, and wisely and properly enough the question of better relations with the United States took a second place in the subsequent and more successful contest, from the results of which the Liberal party are now in power. While it is true that this brief notice of the Commercial Union Movement, as such, is in the nature of an obituary, it nevertheless is the firm conviction in the minds of careful observers that the seed sown in that agitation will yet bear fruit. Notwithstanding the bitterness engendered by the McKinley Bill, followed as it has been by the Dingley Enactment, and numerous other indications of a want of comity towards Canada, all these things have failed to accomplish the result sought in shaking the steadfast loyalty of the Canadian people to the British Crown. The recent events in the Jubilee year, and especially the high position attained by the Liberal Premier have confirmed the impression in the United States that, so far as mortal vision can penetrate, the area of the United States cannot be extended beyond the St. Lawrence, the Great Lakes and the 45th parallel."

**The Hitt Resolution** quoted above was preceded, during the Session of Congress in 1889, by the following motion. It will be seen that Congressman Hitt had greatly modified his proposals upon their second presentation:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled: That whenever it shall be duly certified to the President of the United States that the Government of the Dominion of Canada has declared a desire to establish commercial union with the United States, having a uniform revenue system, like internal taxes to be collected, and like import duties to be imposed on articles brought into either country from other nations, with no duties upon trade between the United States and Canada; he shall appoint three Commissioners to meet those who may likewise be designated to represent the Government of Canada, to prepare a plan for the assimilation of the import duties and internal revenue taxes of the two countries, and an equitable division of receipts

in a Commercial Union. And said Commission shall report to the President, who shall lay the report before Congress."

**During the progress of the American Trade** movement the Commercial Union Club was formed in Toronto, with the following officers:

President—Dr. Goldwin Smith.

Vice-Presidents—Henry W. Darling, A. H. Campbell, S. H. Janes, W. H. Lockhart Gordon, Captain Wm. Hall, and William Cluxton.

Secretary and Treasurer—George Kerr, Jr.

The Executive Committee was composed of the following gentlemen: G. Mercer Adam, J. N. Blake, C. W. Bunting, W. H. P. Clement, H. H. Dewart, W. G. Douglas, E. E. A. Du Vernet, H. P. Dwight, W. D. Gregory, M. H. Irish, A. F. Jury, Robert Jaffray, T. D. Ledyard, George S. Macdonald, A. Macdougall, W. D. Matthews, Jr., Hugh Miller, Thomas Mulvey, Samuel D. Mills, Peter McIntyre, William McCabe, W. Barclay McMurrich, Q.C., James Pearson, G. B. Smith, M.P.P., R. C. Steele, W. J. Thomas, and Fred. W. Walker.

The Club was organized at a meeting held in Toronto on November 3rd, 1887. Its constitution and objects were announced as follows:

"1. This Association shall be designated the Commercial Union Club of Toronto.

2. The objects of the Club are to improve the trade relations and develop the industries of Canada by securing unrestricted reciprocity of trade between this country and the United States.

3. The Club is not connected with any political party; it invites the co-operation of persons of whatever political party who are favourable to Commercial Union.

4. The Club will welcome to its membership, and regard as eligible to its Executive Committee and Officers, any who may be favourable to its object, in whatever part of the Province or Dominion they may reside.

5. The agencies which the Club employs are public meetings, the diffusion of literature, and co-operation with local associations which may be formed with the same objects in view."

Papers were read before the Club by Mr. S. H. Janes on December 6th, 1887, by Mr. T. D. Ledyard on March 1st, 1888, by Mr. W. H.

Lockhart Gordon on January 17th, 1888, and by Mr. A. H. Campbell on February 8th, 1888. In this latter year a "Hand-book of Commercial Union" was also published under its auspices.

During the General Elections of 1891 a Manifesto was issued by the organization, dated February 13th and signed by Dr. Goldwin Smith as President and G. Mercer Adam as Hon.-Secretary. The following extract will indicate the views thus expressed upon the issue of the day:

"The leading principle of the Commercial Union Club, which is the removal of restrictions on trade with our own continent, has now been adopted as a platform for one of the two great political parties at present appealing to the country, while the other so far adopts it as to admit the necessity of extending commercial relations with the United States. Upon this triumph of the principle, the Club congratulates the friends of the movement throughout the country. It is most satisfactory to note that not only the farmer, the lumberman, the miner and the shipowner, but some of our most important manufacturing firms have declared for an open market, trusting to Canadian energy, intelligence, and enterprise to hold their own in a fair field.

More than one policy, however, is now submitted in the name of reciprocity to the country, and the friends of continental free trade are called upon to make their choice. Unrestricted Reciprocity, throwing entirely open to us the markets of our own continent, both to sell and to buy in, would give us in full measure the benefits we seek and the relief for which, as we think, our commerce and industry call. Combined with the opening of the coasting trade, it would revive our shipping on the lakes. Combined with participation in the fisheries, it would settle the disputes with our neighbours. Unlike any partial measure such as the Treaty of 1854, it affords the assurance of its own stability, since the trade connections which it would form, together with the experience of the benefits bestowed by it would secure it against change, and the tariff wall once pulled down would never be re-built. We have the best reasons for believing that the Americans would consent. Mr. Hitt's resolution in favour of Commercial Union having passed the House of Representatives unanimously, and having encoun-

tered in the Senate only one dissentient voice, while the recent elections in the United States have been a victory for extended freedom of trade. Unrestricted Reciprocity must be our first choice."

**The late Sir Alexander Galt, in his Report** as Minister of Finance in 1862, to which reference is made elsewhere, expressed very strong opposition to a similar American proposal of a Zollverein or commercial union:

"The Committee of Congress, and also the Chamber of Commerce of St. Paul, have not, however, made any practical suggestions, but have advocated the adoption of a system on this continent similar to that of the Zollverein in Germany. The undersigned can have no hesitation in stating to Your Excellency, that in his opinion the project of an American Zollverein, to which the British Provinces should become parties, is one wholly inconsistent with the maintenance of their connection with Great Britain, and also opposed, on its own merits, to the interest of the people of these Provinces. It requires no great foresight to perceive that a Zollverein means the imposition of duties by the Confederacy, on articles produced outside of the Confederation, coupled with free trade among its members.

In other words, Canada would be required to tax British goods, while she admitted those of the United States free, a state of things that could only accompany a severance of all the ties of affection, nationality and interest that now unite Canada to the Mother Country. It would also be essentially against the interests of Canada—Great Britain is to a far greater degree than the United States the market for Canadian produce—and commercial relations should therefore be extended with her, certainly not interfered with. Besides, in the consideration of the rate of duties to be levied on imports, the United States, as being the more powerful country, would necessarily impose her views upon the Confederation, and the result would be a tariff, not as now, based upon the simple wants of Canada, but upon those of a country now engaged in a colossal war, which must for many years demand enormous contributions from the people, among the means of obtaining which Customs duties will certainly rank as an important source of revenue.



The Minister of Finance therefore respectfully reports that he cannot recommend Your Excellency to submit the project of a Zollverein to the favourable notice of Her Majesty's Government. But he considers that there are many respects in which it would be found beneficial to extend the operation of the Reciprocity Treaty with the United States, and he recommends that the subject be brought before the Imperial Government, with a view to such action hereafter as may meet with Her Majesty's approval."

**The question of an American Zollverein** was considered in 1870 by Mr. J. N. Larned in his Special Report to Congress, and the following expression of his opinion is important from the United States official standpoint, and as indicating a position which Mr. Blaine made still more distinct in 1892 :

"It appears, therefore, that an intimate freedom of commerce between this country and its northern neighbours, which is so desirable for both parties, cannot be contemplated except in connection with a material change in the conditions of the foreign relationship that the Provinces sustain toward us. It involves, of necessity, an entire identification of the material interests of the two countries, by their common association, in some form or other. If the Provinces do not choose to become one with us politically, they must at least become one with us commercially, before the barriers are thrown down which shut them out from an equal participation with us in the energetic working of the mixed activities of the new world, and which deprive us, in a great measure, of the re-enforcement that they are capable of bringing to those activities. The alternative of annexation is the Zollverein, or a Customs union, after the plan of that under which the German States secured free trade among themselves and identity of interest in their commerce with the outside world.

A majority of the people of the British Provinces may not yet be prepared in feeling (though many of them are) for an arrangement which probably involves the disjoining of their political attachment to Great Britain, and the assumption for themselves of a state of political independence; but the time cannot be very distant when

the persuasion of their interests will overpower the hardly explainable sentiments by which it is opposed. Perpetually made conscious, of late years, that the parental nation to which they have loyally clung is more than ready to dismiss them to an independent career, with a hearty God-speed, and that they are far more endangered than protected by their anomalous connection with Great Britain, their feeling with reference to that connection has confessedly undergone a great change. At the present time the inhabitants of the Provinces appear to be in a doubtful, wavering, transition state of opinion and sentiment with regard to their future policy as a people; much affected, on the one hand, by dissatisfaction with their relations to England, and, on the other hand, by a mistaken belief that it is the ambitious policy and fixed purpose of their American neighbours to coerce them into a surrender of themselves and their territory to the United States. That it is alike against the political convictions and against the manifest interest of this nation to covet the forcible absorption into its body politic of any unwilling, alien, discontented community of people so large as that of the British Provinces, and that their accession to it is only desirable, and only desired, if they come by free choosing of their own, is a fact which they will probably discern when their reflections have become more deliberate."

**During the Commercial Union agitation** one of the most important publications of a current controversial character, which was also of permanent value as an authoritative presentation of one side of the discussion, was the pamphlet, or series of re-published letters, which first appeared in the *Toronto Globe* in 1887, by the Hon. James Young, ex-M.P. The following is his interesting review of the general question :

"It is constantly asked: 'Why cannot the Canadian manufacturer compete with the American on equal terms?' Ask the latter why he cannot compete with the British manufacturer on equal terms, and he will answer: 'The terms are not equal; we cannot compete because of the cheaper labour and capital, cheaper raw material, and, in many cases, larger establishments of Great Britain.' Whatever truth may be in this,

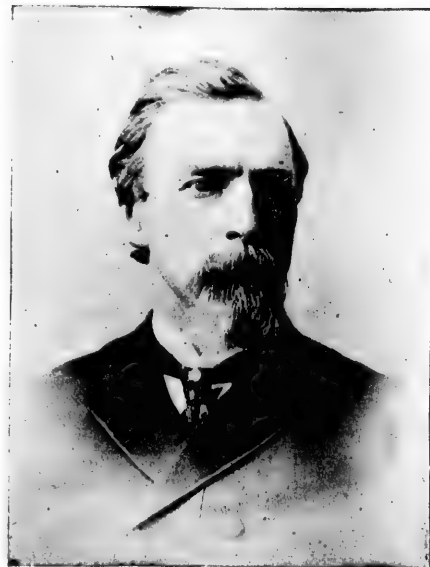


there are strong reasons why many of our manufacturing industries could not withstand the competition certain to occur if we made our markets perfectly free to the large corporations and monopolies of a great nation like the United States. Nor does it necessarily follow from this fact that Canadian prices are higher, or that the change would ultimately ensure the consumer cheaper goods. It is an easy and very common thing across the line for large corporations to crush out smaller concerns and afterwards charge higher prices to recoup themselves. That this would be extensively done throughout the Dominion by American manufacturers if Commercial Union were adopted, is as certain as that man is human, and the result of such unfair, combined with legitimate, competition, would not only check the further growth of manufactures among us, but cause widespread ruin among those which at present exist. 'But,' we are told again, 'with Commercial Union we would have all the United States to manufacture for, and ultimately the best of our manufactures, re-enforced by Americans and American capital, would have immense establishments sending Canadian goods all over the Continent.' This is a pleasing dream, but only a dream. Indeed, this is one of the crucial points at which, it appears to me, that Commercial Union absolutely fails. Two facts must, I think, make this perfectly clear to every unprejudiced mind. They are as follows:

I. All descriptions of American manufactures are extensively covered by patents, either wholly or in part. These patents run for long terms of years and prevent competition with the patented articles in any of the States or Territories of the Union. Many of these same manufactures are made in Canada, but few of them have been patented here; consequently while the Americans could over-run our limited market with their patented goods, our manufacturers, who make the same article or parts thereof, would continue to be as completely shut out of the States as they are at present.

II. Under Commercial Union the commencement of large industrial establishments in Canada would be checked, if not altogether prevented. It would offer a premium to manufacturers to avoid Canada, for the very obvious and powerful reason

that if they located here, the repeal of the Treaty would lose them eleven-twelfths of their market and entail serious loss both in real estate and plant. On the other hand, by locating in the States they would be certain of the whole of that large market and enjoy ours also whilst the Treaty lasted. Under these circumstances, I submit that whatever else may be said in favour of Commercial Union, it would inevitably be most disastrous to Canadian manufacturers, both at present and in future. I shall not enlarge further on this point, except to say that what this would mean,



The Hon. James Young.

not only to our leading cities, but to such places as Stratford, Woodstock, Brantford, Galt, Berlin, Paris, Oshawa, and other rising towns and villages throughout the Dominion, requires no prophet to foretell.

Agriculture being admittedly our chief industry, if it could be proven that Commercial Union would greatly benefit our farmers, without entailing serious disadvantages upon them, it would certainly receive my most favourable consideration. That simple reciprocity would do this everybody

is agreed. The benefits would not be so great as under the former Treaty, for there would be no Crimean war, no slave-holders' rebellion, no Grand Trunk construction to raise prices abnormally high; but the complete freedom of exchange of all products of the farm, especially on the frontiers, would be both convenient and profitable, and add to the prosperity of both countries. But, as I have remarked before, Reciprocity is one thing, Commercial Union quite another. The latter would open the markets of both countries, but only on certain conditions specified by the United States, and these conditions, as I will endeavour to prove, would largely, if not wholly, destroy its advantages to our farming community. The conditions referred to are the adoption of a continental tariff and discrimination against our trade with the Mother Country.

Our farmers, we are told, are suffering from an oppressive system of protection, which is annually becoming more unbearable. But what gain would it be to them, by accepting the above conditions, to place themselves under the still higher and more exacting Protection of the United States, whose policy approaches nearer the Chinese principle of non-intercourse than any other modern Government? We are also told that our farmers are suffering from high taxation, levied largely for the benefit of other favoured classes. This is, unfortunately, too true, but farmers' votes have upheld the high taxation system, and they have the power to undo it. What relief would it be, however, to their burdens to place themselves under what would practically be the United States tariff, which is at least ten per cent. or fifteen per cent. higher than the taxes they have to pay at present?

Whilst improving our farmers' American market, Commercial Union, unlike Reciprocity, would injure their Home and British market. These three markets absorb nearly all our agricultural produce, and the former, I submit, is the least important to our farmers, for the following reasons: (1) Because our neighbours raise annually over \$2,210,000,000 worth of the same products which we raise; (2) because the British is the consuming market for the surplus products of both countries and determines the price; and (3) because they take less of our products than the home or British

markets; and what they do buy, except horses, barley and a few other articles, is either re-exported or displaces produce of their own—in either case adding to the competition of our direct shipments in the Mother Country.

It is the very marrow of the question to determine the relative value of these three markets to our farmers, and we are fortunately now in possession of some reliable data which may guide us in doing so. The able head of the Ontario Bureau of Statistics, Mr. Archibald Blue, in a carefully prepared statement now in my possession, makes the value of everything produced on Ontario farms in 1886 to have been close upon \$160,000,000. Adding \$140,000,000 for all the other Provinces, which must be a moderate estimate, we reach a total production for the Dominion of \$300,000,000. Assuming that one-half of these products were consumed by the farming community themselves, the surplus was disposed of as follows.

Surplus farm production.....	\$150,000,000
Exported to Great Britain.....	\$22,543,936
Exported to United States.....	15,495,783
Exported elsewhere.....	1,678,493

39,718,212

Home market consumed..... \$110,281,788

Although only an approximate estimate, these figures clearly indicate that the home market made by our manufacturing, lumbering, mercantile and other classes is incomparably the best which our farmers possess, while that of Britain ranks second and that of the States third. As indicative of the relative value of the two latter, I subjoin a statement of our total shipments of products of the farm (goods not the produce of Canada included) to each respectively since 1880:

Year.	To United States.	To Great Britain.
1880.....	\$13,177,724	\$25,793,797
1881.....	14,199,767	34,087,366
1882.....	16,297,206	35,763,194
1883.....	18,776,272	29,557,012
1884.....	14,512,522	25,750,891
1885.....	15,542,533	30,449,446
1886.....	15,931,188	26,700,404
	\$108,437,212	\$208,102,110

During the seven years, therefore, Britain took more agricultural products directly from the Dominion than the States did by nearly \$100,000,000. This makes it tolerably clear that it is our principal market for foreign export, and its superiority is enhanced by the fact that whilst the Mother Country sends us comparatively no farm products in return, our American neighbours are active competitors not only in the foreign, but in our home market."

**A letter written by Congressman Hitt to Mr. Wiman on April 25th, 1889,** became famous during the Canadian elections of 1891, and is consequently of historic value in connection with the Commercial Union question and agitation. It was as follows:

"DEAR SIR,—I am greatly obliged to you for sending to me the proof slips of the 'North American' article, and have been much interested also in Mr. Farrer's letter, which surprised me somewhat, as I did not think from his conversation, which gave me a very favourable impression, that he would be so easily discouraged. The reasons he gives existed before the Commercial Union movement began with greater force than to-day. The Republicans as protectionists, it was apprehended, would be against it. They are not. Their representatives vote for it, their newspapers have received it kindly, and often with warm approval. The Jesuit agitation, which has taken the place of Commercial Union in his mind, is largely sentimental and will probably not last long. The other, C.U., is a business question that concerns each citizen, and in a way which he does not understand at first, but sees more and more clearly the more he talks intelligently about it. There is some logic in what F. says of not making two bites of a cherry, but going for annexation at once; but I think he is misled on that point in a way that often occurs. Where a man is thinking much on a point and discussing it, he is liable to narrow his horizon to those within his reach; and his own mind, and perhaps those he meets, having passed on by discussion to distant results, he takes it for granted that the wide world, which is so wonderfully slow, has kept up with him and has the same results in sight. We must be very patient with

the slow-moving popular mind. If the Canadian public of farmers, artisans, lumbermen, miners and fishers can be in three years argued up to the one point of voting Commercial Union and giving sanction to the movement in Parliament, it will be great progress. Slow as such movements are, the comforting thing is that they never go backward. To you personally it ought to be in your moments of reflection a consolation that long hereafter when this ball, which you set rolling, has gone on and on and finished its work, everyone may then look back and see and appreciate the service done to mankind by the hand that set it in motion. I shall look with interest for what you may say in Ottawa. The *North American Review* article will have a powerful tendency to keep our public men from scattering away on annexation next winter, and I hope we can get the offer of Commercial Union formulated into law. I return the proof slips of the article and the letter of Mr. Farrer.

Very truly yours,

(Signed) R. R. HITT.

P.S.—Just received yours of yesterday with Goldwin Smith's; it reads admirably."

**On April 28th, 1887, the Central Farmers' Institute of Ontario** was organized in Toronto, with Mr. Valancey E. Fuller, President of the Wentworth Farmers' Institute, as Chairman, and Mr. Thomas Shaw, of Hamilton, as Secretary. After organization, Mr. Fuller was elected President of the Institute, Mr. John Dryden, M.P.P., Vice-President, and Mr. Shaw, Secretary-Treasurer. After a prolonged discussion of the question of trade relations the following motion was passed by a large majority:

"In the opinion of this Institute, a removal of all restrictions on trade between the Dominion of Canada and the United States is desirable, either by reciprocity or otherwise, as may be agreed upon by the respective countries, and the Officers and Executive Committee of the Institute are hereby authorized to take such action in the premises as shall best promote the object of this resolution. In the event of fair reciprocity being unattainable, this Institute shall memorialize the Dominion Government to suggest to the Government of Great Britain the expediency of entering

into a Commercial Union with her Colonies in regard to food supplies, and of imposing a protective tariff against all foreign countries."

This was purely a compromise resolution. The trade question was immediately discussed by the local associations, and between the 28th day of April and the 4th day of August, resolutions were carried in favour of Unrestricted Reciprocity in no less than twenty-two of the Institutes. Eleven did not vote upon the subject, and only one, it is stated, carried a resolution in opposition to the movement. At the meeting of the Executive of the Central Farmers' Institute, held in Toronto on August 4th, 1887, two of the officers had the work delegated to them of organizing Institutes in electoral districts where they did not exist, and through whose medium it was intended to ascertain the minds of the farmers of the whole Province in regard to the question at issue.

Of course, this movement aroused intense opposition in many quarters, and soon precipitated a national discussion, which only ended with the elections of 1891 and the renewed victory of Sir John Macdonald and the Protective tariff. On May 4th, the Canadian Manufacturers' Association had met in Toronto at the call of Mr. Frederic Nicholls, the Secretary, to discuss the question, and after a debate, in which Mr. R. W. Elliot, Mr. Thomas Cowan, of Galt, Mr. E. Gurney, Mr. H. E. Clarke, M.P.P., and others spoke strongly against the policy, the following Resolution was unanimously adopted:

"Whereas the question of Commercial Union or 'Unrestricted Reciprocity' between the United States and Canada has been brought prominently into notice; and whereas the Central Farmers' Institute, at a recent meeting, passed a resolution binding that body to urge the Dominion Government to obtain a Reciprocity Treaty at the earliest possible moment; and whereas it is considered that Unrestricted Reciprocity in manufactured goods would be a serious blow at the commercial integrity of the Dominion, and would result disastrously to our manufacturing and farming industries, and our financial and commercial interests; therefore, resolved that this meeting of Canadian manufacturers is unanimously opposed to any treaty between this country and the United States which would admit American manufactures into Canada free of duty, and that a copy of this Resolution be forwarded

to the Dominion Government with a request that our manufacturing interests be closely guarded in any negotiations which may take place between the two countries."

**The Toronto Young Men's Liberal Club**, on the 12th of February, 1891, issued a "Message to the young men of Canada" in which the following reference was made to the Continental trade question:

"The main issue in this contest is Unrestricted Reciprocity with the United States. The Liberals have advocated this policy for years. Joined by nature to that country, our trade cannot be sundered by Customs barriers. Our farmers and enterprising manufacturers demand a wider market. On equal terms they are prepared to compete with the Americans. Advocates for Unrestricted Reciprocity are called annexationists. Who are annexationists, when the condition of the country, brought about by the Conservative policy, is driving out thousands of our best people to the United States? Who are these vaunting loyalists but they who, when reminded that the National Policy might injure British connection, replied, 'So much the worse for British connection?' We believe that Unrestricted Reciprocity is the only preventive of annexation. By it we would obtain all the commercial advantages annexation would afford, while retaining our own political institutions. We believe that annexation has practically no adherents in the Liberal party, in spite of the allegations of Sir John Macdonald to the contrary. Annexation was the cry when we were accorded responsible government; it was again the cry when we adopted decimal currency; it is the unwarranted cry to-day; and is as dishonest and unjustifiable now as ever before.

Three things are necessary to the accumulation of national wealth: (1) Natural resources; (2) the application of capital to the development thereof; and (3) a market in which to sell. We have greater mineral and forest wealth than any country on the globe. But we lack capital and a market. Reciprocity by supplying the latter will attain the former. Canadians who have contributed largely to the rapid development of the United States only await equally favourable commercial relations to return and devote their capital

and energies to their native land. Many of our young men are leaving us and taking up their residence across the line. This is the inevitable result of the National Policy. England will not and does not oppose an enlargement of our trade relations with any country. Diplomatic questions of grave import are now perplexing British statesmen, and Canada is the cause of much friction between the Governments of Great Britain and the United States. The final amicable settlement of these difficulties, which would be effected by Reciprocity, is more important to Britain than any alteration which might be made in our trade relations. Besides, British investments in this country to the extent of some \$800,000,000 will share the common prosperity. These are considerations which weigh with the British mind and which should influence every voter."

**The "Butterworth Bill,"** which was the cause of so much controversy in connection with the Commercial Union movement, was introduced in the House of Representatives at Washington on February 14th, 1887, and again on December 28th, 1889, by Mr. Benjamin Butterworth, of Ohio. Its exact terms at the later date, were as follows:

"A Bill to extend the Trade and Commerce of the United States, and to provide for full Reciprocity between the United States and the Dominion of Canada.

Whereas, certain controversies have arisen and are still pending between the Government of the United States and the Government of the Dominion of Canada. Whereas, certain controversies have arisen and are still pending between the Government of the United States and the Government of the Dominion of Canada, respecting commercial intercourse; and whereas, by reason of the contiguity of the two countries and the similarity of the interests and occupations of the people thereof, it is desired by the United States to remove all existing controversies and all causes of controversy in the future, and to promote and encourage business and commercial intercourse between the people of both countries, and to promote harmony between the two Governments, and to enable the citizens of each to trade with the citizens of the other without unnecessary restrictions: Therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that whenever and as soon as the Government of the Dominion of Canada shall permit all articles of trade and commerce, of whatever name or nature, whether the product of the soil or of the waters of the United States, all manufactured articles, live stock of all kinds, and its products, and all minerals the produce of the mines of the United States, to enter the ports of the Dominion of Canada free of duty, then all articles manufactured in Canada, and all products of the soil and waters, and all minerals the produce of the mines of Canada, and all other articles of every name and description produced in said Dominion of Canada, shall be permitted to enter the ports of the United States free of duty: Provided, however, that the provisions of this Act shall not apply to any product or article upon which an internal revenue tax is imposed by the laws of the United States.

Section 2. That when it shall be certified to the President of the United States by the Government of the said Dominion of Canada, that by the authority of its Parliament it has authorized the admission into the ports of the said Dominion of all articles of trade and commerce the growth, produce or manufacture of the United States, free of duty, the President shall make proclamation thereof, and shall likewise proclaim that all articles the growth, produce or manufacture of the said Dominion of Canada shall be admitted into all the ports of the United States free of duty, and such articles shall be so admitted into the ports of the United States free of duty so long as the said Dominion of Canada shall admit the products of the United States, as herein provided, into the ports of the Dominion free of duty.

Section 3. That the Secretary of the Treasury is hereby authorized, with the approval of the President of the United States, and in conjunction with the proper officials of the Government of the Dominion of Canada, to make rules and regulations for the purpose of carrying into effect the provisions of this Act, and to protect the said respective Governments against the importation of foreign goods or articles, through either into the other without payment of duty, and the Sec-

retary of the Treasury of the United States shall furnish to the Customs officers of the United States all such rules and regulations for the purpose of guiding them in the discharge of their duties in the premises.

Section 4. That before making the proclamations, or either of them, authorized by this Act, the President shall be satisfied that all citizens and subjects of the United States may have and enjoy the right of commercial intercourse in all the ports, harbours and places in Canada with the citizens and subjects of the Dominion, in as full and ample a manner in all respects as may be had or enjoyed by the latter in the ports, harbours and places of the United States, with the citizens and subjects thereof."

**The Toronto Board of Trade held a large** meeting on May 14th, 1887, to discuss the Commercial Union question, with Mr. William Ince, President of the Board, in the chair. The leading business men of the city were present, and after a lengthy speech, Mr. Henry W. Darling, President of the Canadian Bank of Commerce, moved the following Resolution, seconded by Mr. Goldwin Smith:

"That in conformity with the sentiments of the Canadian people, expressed at intervals with great unanimity for many years, this Board regards as advantageous to the mutual prosperity of the United States and Canada the removal of every possible restriction upon international trade, and affirms that the proposal for Commercial Union between the two countries, is worthy the fullest investigation and most earnest consideration of the Canadian community."

Nearly all the speakers—including R. W. Elliot, Edward Gurney, Barlow Cumberland and E. B. Osler—opposed the Resolution, and a number of amendments were moved. Mr. David Blain proposed one deprecating any arrangement which involved complete free-trade between the two countries and the adoption of the American tariff by Canada. Mr. G. A. Chapman proposed a resolution which favoured the principle of reciprocity in natural products, regretted the passage of the Butterworth Bill in the United States House of Representatives, and suggested another effort on the part of Canada to open negotiations.

Mr. D. R. Wilkie, Cashier of the Imperial Bank of Canada, presented an amendment denouncing Commercial Union and proposing an Imperial Zollverein as "the true, natural and most desirable future for the Dominion." After a prolonged discussion, which was continued on the 19th inst., a substitute amendment was proposed by the Hon. John Macdonald, seconded by Mr. William Thompson and accepted by a vote of 88 to about a dozen, as follows:

"That the Board desires to place on record the conviction that the largest possible freedom of commercial intercourse between our own country and the United States, compatible with our relation to Great Britain, is desirable. That this Board will do everything in its power to bring about the consummation of such a result. That in its estimation a Treaty which ignored any of the interests of our own country, or which gave undue prominence to any one to the neglect or to the injury of any other, is one that could not be entertained. That in our agricultural, mineral, manufacturing, and our diversified mercantile interests; in our fisheries, forests, and other products; we possess in a rare and in an extraordinary degree all the elements which go to make a people great, prosperous and self-reliant. That these are fitting inducements to any nation to render reciprocity with Canada a thing to be desired, and such as should secure to us a Reciprocity Treaty with the United States of the broadest and most generous character, which, while fully recognizing these conditions, would contain guarantees which would prove of mutual and abiding advantage to both nations; but that this Board cannot sanction any proposal which would place Great Britain at any disadvantage with the United States, or which would tend in any measure, however small, to weaken the bonds which bind us to the Empire."

**On February 5th, 1862, the Hon. Elijah Ward,** from the Committee on Commerce of the United States Congress, made a Report upon the resolutions passed by the Legislature of the State of New York, in relation to the Treaty between the United States and Great Britain. The following is a most important extract in connection with the German Zollverein so often referred to in public trade discussions:

"The wisdom of its founders is demonstrated by the great test of time. No material alteration has been made in the principles, or even in the details, of the laws established at its origin.



Many additional States have voluntarily become members of its union. It began in 1818—fifty-four years ago—when Prussia formed a commercial union with a few minor States. The alliance arose from no hostility to other Powers, but from a desire to get rid of those obstacles to intercourse which separate fiscal laws create among people whom natural feelings and commercial interests would otherwise connect more intimately together, the Prussian tariff of 1818 was adopted.

In 1834 the experience of its benefits had given strength to its influence. Statesmen perceived that Prussia, had, by her liberal policy, conferred upon Germany advantages second only to those she had initiated by the diffusion of education and intelligence. At that time the Zollverein was joined by other States, and thenceforward included Prussia, Bavaria, Saxony, Wurtemberg, the Grand Duchy of Baden, the Electorate, and also the Grand Duchy of Hesse, and the Thuringian Association—representing, in all, a population of 26,000,000. It was regarded by philosophic minds throughout Europe as having brought many liberal and patriotic ideas out of the realms of hope and fancy into those of positive and material interest. The political consequences which must arise from it did not escape the notice of its founders. They pursued no aggressive policy, but could not avoid the knowledge that it tended to lessen the hostility of differently-constituted governments, and that a powerful political alliance would arise upon the basis of pecuniary interests and intimate social intercourse.

It effected so great a saving in the collection of revenue that in three years—from 1834 to 1836—the expenses of the fiscal establishments were reduced from \$18,000,000 to \$14,500,000. Advantageous to all, this result was especially beneficial to the smaller States, whose revenue service, like that of Canada, was spread along extensive frontiers, and absorbed a large proportion of their income. Owing to the increased prosperity, and the consequently increased consumption of tax-paying articles, the revenue of Prussia rose from 18.8 silver gros. per head in 1834 to 23.4 in 1838. The saving in the expense of collection, the increased prosperity of our people, and the additional demand for foreign goods consequent upon it, would afford a basis for a friendly and satisfac-

tory arrangement with European powers, so far as they might be affected by the adoption of a policy which could not fail to be beneficial to the Provinces and the United States.

The laws of the Zollverein provide for the means of mutual investigation, so as to ensure returns of revenue from each place of collection. They contemplate the extension of its operations to other States, and provide for retaliation where commercial restrictions adverse to it are adopted. Its influence has continued to spread more and more widely. On September 7th, 1851, a treaty was made with a rival association, called the *Steuverein*, and consisting of Hanover, Oldenburg and Brunswick, by which, from the 1st of January, 1854, both were included in one revenue system—the Zollverein—thus extending its operation to 36,000,000 of Germans; and a treaty for limited reciprocal trade has been made with Austria, to last for twelve years from February 19th, 1853. It is believed by many that this treaty will lead to the actual consolidation of the whole Germanic race now existing in Europe."

It will be observed that this description of the German Zollverein indicates political union as a likely result. Less than two decades sufficed to prove the prophecy a true one.

**In 1870 the question of a Canadian-American Zollverein** was further dealt with by Mr. Ward in reply to a request for his opinion in the matter from a number of gentlemen headed by the Hon. Samuel J. Randall. The following extracts are from his letter, dated New York, June 15th, 1870:

"In a report made from the Committee on Commerce of the House of Representatives on the 5th of February, 1862, I recommended the application of a system like that of the German Commercial Union, to the United States and the British North American Provinces. The principle of this union is that there shall be entire and unrestricted freedom of imports, exports and transit among the States which are its members. Practically there are a few exceptions to the operation of the rule, and arise from obsolete causes not existing in the United States or Canada. In other respects perfect freedom of the exchange of all the products of human industry exists between the States thus allied. A treaty between the

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United States and Canada, to admit all articles reciprocally free of duty from each country into the other, might practically abolish all duties on importations from any part of the world. Either country might throw open its ports to all comers, and thus compel the other to follow its example. But under the Zollverein the same duties are collected on the outside frontier of the States thus united. Within that line all trade is as untrammelled as within our present union. An equitable distribution of the revenue thus obtained is made among all the States of the Confederation. . . . The Zollverein is comprehensively defined to be the association of a number of States for the establishment of a common Customs line with regard to foreign countries, and for the suppression of both in the intercourse of the States within the border line. There would be no impediment by discriminating duties made via New York or Boston. If the merchants of Chicago found it to their interest to purchase at Montreal, they could do so; and buyers from the new Province of Manitoba might buy and sell at St. Paul, Duluth, St. Louis or New Orleans as freely as at Halifax or any city in the Dominion. The St. Lawrence River and Canals would be open to us on the same terms as to the Canadians. Internal revenue laws could, so far as necessary, be made in conformity with the principles of the Union. There could be fair and complete competition everywhere within the Confederation, and full scope could be given to the development of natural advantages wherever they would bring profit to the merchant, save needless labour of the people, or yield remunerative employment to them."

**The Hon. Thomas White, M.P.,** a late much respected Conservative leader, summarized his views upon this question during an interview early in 1888 (*Canadian Gazette*, London, January 26th):

"Let us suppose, however, that Commercial Union is accomplished. Canada would find herself immediately in grave pecuniary difficulties. The Canadian Customs duties bring in at the present moment about \$22,000,000, but it is a curious fact that although there is a higher tariff in the United States, the income per head is less

than in Canada, and if by pooling the Customs we received to-day our proportion per head of the Customs duties of the two Countries under a common tariff, our income would be only \$16,000,000. Thus, to begin with, we would have to face an annual loss of \$6,000,000. In Canada we have to support the Provincial Governments, and \$4,000,000 go every year to Provincial subsidies. The United States Government gives nothing to the States. Many people think that is a better way, but we have adopted the other and it is too late to change. We could not pay the Provinces, and while Ontario might consent the others certainly would not, because they have not the same developed system of municipal machinery and have no means for the collection of direct taxation.

To take another point. We have greatly assisted public works. This many people would call unwise, but two general elections have set their seal of public approval upon our policy. All that, under Commercial Union, would have to stop. In the United States, in fixing their tariff, they need have no thought about any such matter. Thus we should be in the position of living under a tariff imposed to meet entirely different conditions, for Canada, of course, would not have more than an advisory voice in regulating it.

Then, again, look ahead. Let us suppose that twenty-one years were fixed as the duration of the Commercial Union engagement. When people grow enthusiastic over the great extension of Canadian commerce under the Treaty of 1854, they overlook the prime fact that during four years of its operation all American commerce was thrown out of gear by the Civil War, and that was the true reason why we did such a splendid business with the United States under that Treaty. Now, even Mr. Wiman admits, that the immediate effect of Commercial Union upon our manufactures would be very serious. Suppose the United States withdrew from the arrangement at the close of twenty-one years? We should find ourselves with our whole commercial system disturbed, disorganized, and in fact destroyed beyond the possibility of repair. Our only resort would be indicated instantly by a natural cry for annexation. Therefore I say that if we want Commercial Union, let us take Political Union as well, and

throw in our lot once for all with our neighbours across the border, for better, for worse. These are the reasons, or some of them, why Commercial Union is impossible. In fact" (and the Minister leaned back and laughed at the bare thought) "we could never do it; such a thing is absolutely unheard of."

**Mr. Goldwin Smith has had very little or no influence upon the modern trend of Canadian thought or the evolution of Canadian tariff policies.** But he has had a great deal to say by voice and pen upon these subjects, and as a fictitious importance is accorded in the United States and Great Britain to his utterances, the following letter addressed on March 11th, 1893, to the Chairman of a Boston Commercial banquet—published in the *Boston Herald* of March 16—may be given as illustrating their nature:

"It is with great regret that I find that it will not be in my power to avail myself of the invitation which your Club has done me the honour to extend to me for the meeting on March 15th. The object of the meeting has my heartiest sympathy. A glance at the map is enough to show that the natural relations of the Maritime Provinces of the Dominion are with the New England States rather than with the other Provinces, the nearest of which is divided from them by a wide wilderness, and is moreover little of a market, as well as separated by race and language.

Examination of the commercial facts confirms the impression produced by the map and shows that New England is the proper market of Nova Scotia and New Brunswick; while with the other Provinces of the Dominion their trade, though forced by a rigorous system of protection, is comparatively small, and the interchange of population smaller still. A deputation of English farmers the other day sent out to survey fields for settlement, pronounced access to the New England market indispensable to the agricultural prosperity of Nova Scotia and New Brunswick. On your side there is a corresponding demand for the productions of those Provinces, and a corresponding loss from their fiscal interdiction. Any measure of enlarged commercial intercourse between the Maritime Provinces and New England ought, therefore, to be welcomed, provided only that it

does not interfere with the prospect of a wider and still more beneficial measure which might otherwise come.

We sought Commercial Union which would have removed the Customs lines, and given us fisheries, waterways, and all other economical advantages in common, at the same time permitting American capital to open up the mineral resources of Canada, and American manufactures to extend themselves over a new field; while the question of political union, which, though my conviction about it is strong, I have never desired to see unduly pressed, would have been left for independent solution. A resolution favourable to Commercial Union passed the House of Representatives and failed in the Senate only by a single vote. But political difficulties arose, as political difficulties are too apt to arise in the way of commercial measures which would contribute substantially to the welfare of the people. An objection was taken to the adoption by Canada of a tariff uniform to that of the United States on the ground that it would involve discrimination against the Mother Country, though the objectors themselves were laying protective duties on her new goods, and, in fact, discriminating against her by their general tariff, though not in regard to any particular class of goods. The friends of improved commercial relations in Canada thought to get over the objection by substituting Unrestricted Reciprocity for Commercial Union; but Unrestricted Reciprocity without a uniform seaboard tariff would obviously open the door to unlimited smuggling. Our Canadian people, however, mistrusted the stability of treaty arrangements, and feared that when industries had been built upon them they might be overturned, like the former reciprocity treaty, by some gust of international displeasure.

The train of progress has, I suspect, now passed the stations both of Commercial Union and of Unrestricted Reciprocity, and will, with difficulty, be backed up again to either. In Canada the advance of opinion has been marked during the last twelve months. If statesmanship can only rise above party in its treatment of a continental question and pursue a well-considered and steady policy, the train may at no very distant time draw, amid general rejoicings, into the terminus

of Continental union. That the decision may be wise and beneficial to us all let us cultivate good will all round, bury all the feuds that have estranged New England from old England or her Canadian offspring, and let the grass of oblivion grow upon their silent graves.

Yours faithfully,  
(Signed) GOLDWIN SMITH."

**Erastus Wiman will live in Canadian History** as the vigorous promoter of a movement in which centered the strife of the most hotly contested general election in the annals of the Dominion. His career has been unique in many respects. Born at Churchville, near Toronto, in 1834, he entered a printing office at the age of sixteen, became a reporter for the *Toronto Globe* a few years later, and before long was the Commercial Editor of that paper. His ability attracted the attention of the Commercial Agency of R. G. Dun & Co., and in 1860 he was appointed head of their Upper Canada branch. Subsequently he was placed in control of the more important Montreal division, and in 1867 was given a partnership and the practical management of the entire concern at New York. His influence was soon felt in a wide increase of the business connections of the firm. Personally he acquired large interests in Staten Island, where he lived for many years, founded residential villages, and did much to make the Island a suburb of the

great city. Railways, roadways and steamship lines attested his energetic efforts in this direction. With Jay Gould's assistance he also obtained control of the Montreal Telegraph Company through a new organization called the Great North-Western Telegraph Company of which he was President. In this way, for some years, he handled much of the news flashed over Canada and was able to greatly help the Commercial Union agitation which he began in 1887 and carried on with tremendous activity for three or four years.

Then came his differences with the Commercial Agency of Dun, Wiman & Co.; his retirement from the business and assignment; his trial for forgery, and conviction by one Court; his appeal to another and practical acquittal at its hands. After these troubles he became Manager of the Staten Island Railway Company, and gradually recovered some of his lost ground. In this year (1897) he has been a defeated candidate for the Municipal Council of Greater New York. He has also taken the oath and become an American citizen, after many years of refusal to take the step.

**Questions connected with British Trade and Imperial preferential tariffs** will be dealt with in a future volume of this work, in connection with the Section treating of Canadian relations with the Empire.

## THE COMMERCE OF CANADA

BY

THE HON. JAMES YOUNG, ex-M.P.

THE commerce of a nation naturally divides itself into two classes—foreign and internal. The latter is that which takes place between the different parts of a country itself, and so far as Canada is concerned, the annual exchanges between the different provinces and territories now extending from the Atlantic to the Pacific can only be estimated, as no adequate returns are kept of them. Of its trade with other countries, however, the official returns are ample and reliable, and they very clearly show the present volume and character of the commerce of the Dominion as well as its steady development since Confederation took place.

Our internal inter-provincial trade has now become quite large and important and is growing steadily. Before Confederation, and during the existence of the Reciprocity Treaty with the United States, it was exceedingly limited. The annual transactions of the late province of Canada (Ontario and Quebec) with the Maritime provinces, did not average more than \$2,000,000, and during the first year of Confederation, with all the fiscal barriers removed, it is not believed to have exceeded \$4,000,000. The expansion since then has been variously computed. According to estimates given in the Dominion year book, there was in the year 1889 \$80,000,000 of Inter-Provincial trade in sight, and a calculation made on the same basis placed the volume thereof in 1894 at \$113,000,000.

Without regarding these figures as more than approximate estimates, there is abundance of other evidence in the returns of railroads, shipping, canals, and other means of transportation, that the Inter-Provincial commerce of Canada since the Union has expanded in a fairly satisfactory manner. There is promise too of more rapid

progress in future, in consequence of the great mining and agricultural development now going on in British Columbia and Manitoba, the north-westerly parts of Ontario, and more or less in all the provinces and territories.

The Dominion began its career with a foreign commerce of \$131,027,532, of which \$73,459,644 were imports, and \$57,567,888 exports. This was the result of the first year's operations under the British North America Act, commencing on the 1st of July, 1867, and ending on the 30th of June, 1868, and the returns embrace only the four original provinces of Ontario, Quebec, Nova Scotia, and New Brunswick. Manitoba did not appear in the returns till 1871, British Columbia till 1872, and Prince Edward Island till 1874. Considering that the value of the exchanges between the provinces themselves no longer appeared in the returns, this was regarded as a favourable commencement.

Since that time, however, besides the large internal trade already alluded to, our foreign transactions have nearly doubled in value, and more than doubled in volume, as the prices of many native products and other commodities have largely decreased of late years. The growth and development of Canadian commerce can be seen at a glance in the following official statement :

### I. TOTAL TRADE OF CANADA SINCE CONFEDERATION.

Year.	Value.	Year.	Value.
1868.....	\$131,027,532	1884.....	\$207,803,539
1869.....	130,889,946	1885.....	198,179,847
1870.....	148,387,829	1886.....	189,675,875
1871.....	170,266,589	1887.....	202,408,047
1872.....	104,070,190	1888.....	201,097,630
1873.....	217,801,203	1889.....	204,414,098
1874.....	217,565,510	1890.....	218,607,390
1875.....	200,957,263	1891.....	218,384,934
1876.....	174,176,781	1892.....	241,360,443
1877.....	175,203,355	1893.....	247,638,620

Year.	Value.	Year.	Value.
1878.....	172,407,454	1894.....	240,999,889
1879.....	153,455,682	1895.....	224,420,485
1880.....	174,401,205	1896.....	239,025,360
1881.....	203,621,663		
1882.....	221,556,703	Total 20 years	\$5,750,151,887
1883.....	230,339,826		

Since Confederation the gross trade with other countries has therefore aggregated \$5,700,000,000. The sum is rather colossal for analysis, but the returns for each year afford ample scope for comparison by confirming to some extent the theory that commerce has its periods of ebb and flow like the ocean, for it will be observed by the foregoing table that the years of our greatest expansion in each decade were as follows: In 1873 \$217,801,203, in 1883, \$230,339,826, and again in 1893, \$247,638,620. The latter is the largest amount of trade ever done by the Dominion in any one year, as that of 1869 was the smallest, having only been \$130,889,945. The annual average for the entire period was \$198,281,099. Having thus seen the total volume of our commerce, the important question naturally arises as to how much of it was made up of purchases from other countries and how much of it included their purchases from us? This is very clearly brought out by the following table:

## II. TOTAL IMPORTS AND EXPORTS SINCE CONFEDERATION.

Year.	Total Exports.	Total Imports.
1868.....	\$ 57,567,888	\$ 73,459,644
1869.....	60,474,781	70,415,165
1870.....	73,573,490	74,814,339
1871.....	74,173,618	96,092,971
1872.....	82,639,663	111,430,527
1873.....	89,789,922	128,011,281
1874.....	89,351,928	128,213,582
1875.....	77,886,979	123,070,283
1876.....	80,966,435	93,210,346
1877.....	75,875,393	99,127,962
1878.....	79,323,667	93,081,787
1879.....	71,491,255	81,964,427
1880.....	87,911,456	86,489,747
1881.....	98,290,823	105,330,840
1882.....	102,137,203	119,419,500
1883.....	98,085,804	134,254,022
1884.....	91,406,496	116,397,643
1885.....	89,238,361	108,941,486
1886.....	85,251,314	104,424,561
1887.....	89,515,811	112,892,236
1888.....	90,203,000	110,894,630
1889.....	89,189,167	115,224,931
1890.....	96,749,149	121,858,241
1891.....	98,417,296	119,967,638
1892.....	113,963,375	127,406,068
1893.....	118,564,352	129,074,268
1894.....	117,524,949	123,474,940
1895.....	113,638,803	110,781,682
1896.....	127,013,852	118,011,508
Total for 29 years.....	\$2,614,216,232	\$3,135,935,655

How immensely the imports of the Dominion have exceeded the exports is abundantly evident from the foregoing statement. Since the Union took place the excess of imports over exports has been no less than \$521,719,423 and the average excess for the 29 years, \$17,990,325. Contrary to a popular notion, I believe this affords ground for congratulation to Canadians rather than the reverse, for the ancient theory of the "balance of trade," at least so far as mere trade statistics go, may justly be regarded as exploded fallacy.

Abundant proof of the correctness of this view may be found in the fact that Great Britain, and nearly all the most progressive commercial nations, have almost invariably an apparent or real "balance of trade" against them, but are, nevertheless, manifestly advancing in wealth and power. It may be safely asserted that the excess in the normal returns of a nation's imports over its exports is, generally speaking, the measure of the profits on its annual exchange. The excess, therefore, of the Dominion's aggregate imports over its exports since Confederation, amounting, as we have seen, to the total of \$521,719,423, apparently attests the profitable nature of its foreign commerce during that period.

Next in importance to the extent of the commerce comes the consideration of the nations with which we deal, and the nature of our annual exchanges with them. Taking the former first, Great Britain and the United States far exceed all other countries in their transactions with Canada. Together they absorb over eighty-five per cent. of the aggregate trade of the Dominion, something less than fifteen per cent. being divided between the West Indies, Germany, France, China and Japan, Newfoundland, South America, Australia, and some thirty other countries. The following statement setting forth the relative proportions of the imports from and exports to the United Kingdom, the United States, and all other countries during our last fiscal year, ending on the 30th June, 1896, gives a complete view of this situation:

## III.—THE NATIONS WITH WHICH CANADA TRADES.

COUNTRIES	IMPORTS FROM. VALUE	EXPORTS TO. VALUE
Great Britain.....	\$ 33,157,234	\$ 66,690,280
British Africa.....	75,027	154,465
Australasia.....	213,683	518,233

COUNTRIES	IMPORTS FROM. VALUE	EXPORTS TO. VALUE
British East Indies.....	\$359,096	\$ 8,841
British Guiana.....	194,031	274,536
British West Indies.....	1,201,392	1,660,808
Newfoundland.....	551,852	1,782,309
Other British Possessions.....	6,344	20,841
<b>Total British Empire.....</b>	<b>35,758,653</b>	<b>71,110,313</b>
United States.....	64,334,800	44,448,410
Germany.....	6,454,705	757,531
France.....	2,782,773	581,540
China.....	1,030,698	659,758
Japan.....	1,648,232	8,253
Belgium.....	927,457	98,031
Austria.....	204,637	9,238
Italy.....	435,774	56,759
Spain.....	346,940	83,514
Spanish West Indies.....	656,258	989,415
Spanish Possessions, all other.....	1,243,320	18,759
Switzerland.....	336,467	285
Turkey.....	355,995	50
Dutch East Indies.....	408,863	
Holland.....	297,251	139,828
South America.....	385,638	1,221,582
St. Pierre.....	81,733	215,014
Greece.....	99,473	
Norway and Sweden.....	53,109	41,262
Portugal.....	46,503	41,666
Central American States.....	30,219	11,096
Danish West Indies.....	17,510	35,252
Russia.....	15,974	42,823
Denmark.....	12,997	42,894
Mexico.....	13,912	23,780
Arabia.....	10,875	
Dutch West Indies.....	10,256	
French West Indies.....	4,618	125,350
Hawaiian Islands.....	2,839	32,476
Hayti.....		181,595
Other Countries.....	3,119	37,078
<b>Total Foreign Countries.....</b>	<b>82,252,855</b>	<b>49,993,539</b>
<b>Total Imports and Exports.....</b>	<b>\$118,011,508</b>	<b>\$121,013,852</b>

The fact that out of a total commerce during 1896 of \$239,025,360, no less than \$208,000,000 were transacted with Great Britain and the United States, proves how close our commercial relations are with those two great kindred nations. They nearly monopolize our commerce between them, and the proportion done with each of them is nearly equal. Taking, for example, the last decade (from 1886 to 1896) our aggregate trade with the mother country was \$945,988,872, and with our neighbours \$943,350,189. During 1896, however, our transactions with the latter were nearly nine millions greater than with the former.

Whilst this British and American trade is almost equal in volume, there is a considerable difference in the nature of our exchanges with the two countries. Taking the returns for 1896, it will be observed that whilst Great Britain

purchased from us articles valued at \$66,990,280, the United States only purchased to the extent of \$44,448,410. On the other hand whilst the latter sold to us to the value of \$64,334,800, the former's sales to us were only \$33,157,234. In other words whilst Great Britain buys from Canada more than she sells, the United States sells to us more than she buys.

With countries other than the United Kingdom and the neighbouring Republic, our annual commerce is now over \$30,000,000 and there are hopeful signs of an increase in several directions. During 1896 our transactions with Germany were of the value of \$7,212,236, with France \$3,364,313, and with China and Japan \$3,346,941. Only a trifle over two millions of our trade with these countries, however, consisted of Canadian exports, but in the case of Australia, Newfoundland, British West Indies, South America, Hayti, and British Africa, this position is reversed—these countries having bought from us more than we took in return. The most hopeful field for extending our foreign trade is probably the British and foreign West Indies, whose trade with the Dominion in 1896 was \$4,700,851, of which our sales to them were \$2,810,817, and our purchases \$1,890,034. But for the Cuban war these figures would have been larger.

Before leaving this part of the subject, it may be mentioned as a significant circumstance, that for the first time, the official Dominion Year Book for 1896 places in one group the commerce of Canada with the United Kingdom and all British possessions throughout the world. The aggregate value of our transactions with all parts of the Empire in that year was \$106,868,966 and comprised 30.30 per cent. of our total imports and 58.76 of our total exports.

Let us here consider briefly the character of the Dominion's commerce. It has now become quite varied. Not only do the importations from abroad take a wide range, but the exports are not now confined so largely to products of the farm and forest as they formerly were, but comprise a large trade in products of the fisheries and mines, and even manufactures. The relative value of each class of Canadian productions which find a market abroad, is quite interesting as given in the following statement:

TRADES.  
EXPORTS TO.  
VALUE  
6,690,280  
154,465  
518,233



## IV.—THE NATURE OF CANADIAN EXPORTS, 1896.

Articles.	British Empire.	Other Nations	Articles.	Great Britain.	United States.
Produce of the mine.....	\$397,135	\$ 7,662,515	Peas, whole and split.....	869,873	263,701
“ “ fisheries.....	5,794,961	5,282,804	Wheat.....	5,677,637	40,424
“ “ forest.....	12,530,551	14,645,135	Hay.....	305,616	1,641,471
Animals and their produce.....	32,818,653	3,688,988	Leather.....	1,704,075	10,359
Agricultural products.....	10,383,749	3,699,612	Wood pulp.....	113,557	557,085
Manufactures.....	4,820,539	4,544,845	Other articles.....	340,151	2,826,542
Miscellaneous articles.....	20,551	88,714			
Bullion.....	1,000	206,447			
Estimated amount short returned inland ports.....		3,329,053			
Total Canadian produce....	66,767,139	43,148,113			
“ Foreign “.....	4,343,174	6,755,426			
Total.....	\$71,110,313	\$49,903,539			

The detailed statement of the articles annually exported from and imported into Canada, is of course too voluminous to be more than referred to. The list can be found at length in the Dominion Trade and Navigation Returns. Whilst the study of all our exchanges with other countries is interesting, the greatest importance, however, attaches to the principal articles exchanged between the Dominion and Great Britain and the United States. These cover the great bulk of our commerce, and by excluding from survey all articles of less value than \$500,000 we can ascertain with tolerable accuracy of what the principal articles of Canadian commerce consist. Taking the exports first, and leaving out all articles of less value than the sum stated, the following is the result :

## V.—THE PRINCIPAL DETAILED EXPORTS FROM CANADA IN 1896.

Articles.	Great Britain.	United States
Coal.....	\$ 66,845	\$2,904,704
Gold-bearing quartz, etc.....	1,515	1,084,479
Metals,—Copper, nickel, etc.....		681,442
“ “ Silver, metallic, in ore.....		1,595,548
Lobsters, fresh and canned.....	1,146,444	1,118,326
Fish, all kinds.....	2,549,636	2,152,248
Furs and skins—marine.....	760,185	1,182
Logs.....	13,890	1,717,143
Lumber.....	9,266,768	9,311,868
Shingles.....		886,103
Timber, square.....	2,713,811	6,828
Wood for pulp.....	27,580	600,285
Horses.....	1,729,508	328,338
Horned cattle.....	6,816,361	8,870
Sheep.....	1,721,250	394,949
Butter.....	803,053	24,589
Cheese.....	13,924,672	10,359
Eggs.....	704,768	97,309
Furs, undressed.....	1,358,686	381,656
Hides and skins.....	19,887	1,065,094
Bacon.....	3,799,428	881
Hams.....	570,921	2,068
Meats, canned.....	816,850	2,101
Wool.....	11,775	811,528
Apples.....	1,303,451	85,419

The foregoing table is quite interesting and suggestive. An analysis of it shows how largely lumber, cheese, cattle, wheat, fish, bacon and hams, coal, timber, horses, and sheep compose the principal Canadian products in request abroad. That there should have been shipped from Canadian ports in 1896 102,862 head of cattle, 164,689,123 lbs. of cheese and 47,057,642 lbs. of bacon—all produce of the Dominion—is a fact exceedingly striking and gratifying.

The different classes of productions and the relative proportion thereof for which the United Kingdom and the neighbouring Republic furnish a market are equally worthy of observation. Except in lumber, coal, metals and ores, fish, hay, hides and skins, the value of the articles of Canadian production taken by the Mother Country, now largely predominate. She has always been by far the largest consumer of the products of Canadian farms and forests, but formerly not a little of our trade with her was done through American channels. Since the introduction of the McKinley Tariff system, however, nearly all our British trade is being done direct between Canada and the Mother Country, no doubt to the advantage of our railways and shipping as well as of our producers and exporters. In considering the principal imports from Great Britain and the United States, I shall follow the same rule applied to the exports, and omit from consideration all articles valued at less than \$500,000. According to this plan, the following result is found :

## VI.—THE PRINCIPAL DETAILED IMPORTS INTO CANADA IN 1896.

ARTICLES.	GREAT BRITAIN.	UNITED STATES.
Bicycles, etc.....	\$ 59,197	\$ 672,836
Books, Periodicals, etc.....	219,012	507,308
Grain of all kinds.....	4,638	1,252,898
Coal, Coke, etc.....	102,528	3,250,239
“ “ Anthracite (free).....	10,524	5,656,572
Cotton, and Manufactures of..	3,357,028	1,067,012
Drugs, Chemicals, etc.....	247,831	603,927
“ “ (free).....	628,192	938,242
Fancy Goods.....	909,436	228,828
Flax, Hemp, and Manfrs. of..	1,310,846	64,128
Fruits and Nuts, all kinds.....	285,753	1,131,998
Glass, and manfrs. of.....	214,964	417,850



Articles.	Great Britain.	United States.
Hats, caps, and bonnets.....	803,279	402,890
Iron, steel, and manfr. of.....	2,351,518	5,630,499
" " " (free)	2,265,150	1,729,314
Leather and manfr. of.....	113,567	1,037,431
Oils, all kinds.....	359,980	1,034,773
Silks, and manfr. of.....	1,896,602	121,858
Paper, and manfr. of.....	254,092	672,448
Seeds and roots.....	13,811	576,918
Wood, and manfr. of.....	37,082	497,012
Lumber and timber.....		1,254,953
Hides.....	102,152	1,751,614
Wool.....	305,079	626,719
Hemp, undressed.....	413,225	352,489
Tobacco, unmanufactured.....	517	1,303,374
Cotton, wool, and waste.....	33,113	3,125,761
Woollen manufactures.....	6,930,213	203,847
Nets, seines, twines, etc.....	252,689	257,295
Rubber, crude.....	17,657	833,608
Settlers' effects.....	429,782	1,714,168
Teas, black, green, and Japan..	944,025	

Closely connected with a nation's commerce are its facilities for transportation. At Confederation and for many years thereafter the lack of them was a great hindrance to progress. We had, of course, water communication by lake and river, but our fine chain of St. Lawrence, Welland, and other canals, was then quite inadequate, and we had no Intercolonial, no Canadian Pacific, and, except the Grand Trunk, scarcely any other railway. Throughout the whole Dominion there were in 1867 only 2,278 miles of railroad in existence, whereas we now possess two of the largest railway systems in the world, the Canadian Pacific with 6,174 miles of track and the Grand Trunk with 3,161 miles. There is now an aggregate of considerably over 16,000 miles of railroad in active operation throughout the Dominion.

Except Great Britain no country surpasses Canada in commercial facilities by water. The heart of the Dominion rests in the lap of the most magnificent fresh water lakes on the globe, whose great outlet, the St. Lawrence River, passes with majestic flow through our territory to the ocean. Our great North-West provinces are dotted over with navigable lakes and rivers equally grand and beautiful, whilst the extremities of the Dominion front on the Atlantic and Pacific oceans, whence our ships sail to all the principal ports of the world. Recent official returns place the gross registered tonnage of Canadian vessels at 825,837 tons and its hardy seamen at nearly 70,000 and concede to the Dominion the possession of the fifth, if not the fourth, largest mercantile marine in the world.

In drawing this review to a close the people of

Canada may justly be congratulated on the commercial development of the Dominion since Confederation. The rate of progress has possibly not been so rapid as its most sanguine promoters predicted. But considering all the circumstances, the difficulties inseparable from uniting so many scattered provinces under one Federal Government, together with the absence for so many years of direct railway communication either to the eastern or western provinces, it must be held that the growth of Canadian commerce since the Union, both inter-provincial and external, has been of a highly satisfactory and hopeful character.

Ample proof of this is afforded by the official statistics quoted in this article, and especially by the broad fact that the external commerce of the Dominion, which began at \$131,027,532, has attained as high a value as \$247,638,620 in a single year, and that, besides, we have developed an Inter-Provincial trade estimated at \$113,000,000 several years ago. When it is further considered that this large volume of trade is carried on by five millions of people, and that our external transactions alone amount to close upon \$50 per head of the entire population, it must be admitted that Canadians have much reason to feel proud of the commercial results of Confederation both at home and abroad.

The commerce of Canada, however, is yet in its adolescence, and its future has immense possibilities. Confederation is no longer an experiment. Canada is now recognized the world over as a permanent North American power. Every part of its governmental machinery, federal and local, is working in a most satisfactory manner, and the country is like a young giant among the nations in the amplitude of its material resources. With an area surpassed only by Russia and the United States, with immense natural resources in lands, forests, mines, and fisheries, with flourishing shipping and manufactures, and all these sources of wealth about to be more actively developed by increased population, new railroads, deeper canals, and faster ocean steamships, it requires no effort of imagination to picture the time when Canadian commerce will have doubled in volume, and Canadian ships and products be found breasting the waters of every navigable sea.

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## THE PIONEERS OF TRADE IN CANADA

BY

STAPLETON CALDECOTT.

WHEN in the year 1763, King Louis XV. of France signed the treaty ceding to Great Britain that part of North America known as Canada, he little thought what the "few arpents of snow," as he then termed New France, would ultimately become, or that a great future lay before the territory then chiefly inhabited by French settlers and the native tribes of Indians who at that period lived in considerable numbers along the banks of the St. Lawrence and Ottawa Rivers and the shores of the great lakes. For many years the real value of the country was little understood. Its great natural wealth had not been discovered and to the European mind it was largely, if not entirely, a country of excessive cold where during the greater part of the year the soil was covered with a deep mantle of snow. Consequently the industrial development was of a very elementary character and consisted mainly in the manufacture of the ruder implements and of machinery for agricultural purposes. The manufactures consisted of a coarse kind of cloth called "Etoffe du pays," which the Canadian farmer delighted to clothe himself in and which from its warm and heavy character was well adapted for a farmer's use; and boats, canoes, and barges for the navigation of the numerous streams and lakes in which Canada abounds.

Thus for many years the country made gradual though slow progress, and up to 1850 it may be said there was little or no manufacture of textile fabrics either in wool or cotton beyond the few articles made, as was the custom then, in the farmers' houses where the farmer's wife with busy feet and hands made a strong but useful cloth for bed coverings or blankets and a coarse kind of fulled cloth suitable for home consumption. About the year 1850, one or two woollen factories upon a very

small scale were commenced. One of the first of these was started by Stephen Myorick upon the Rideau Canal at a place called Myorickville and which I believe is still in existence. In this mill for some time laboured a weaver called James Rosamond who was of an industrious disposition with a large amount of enterprise. He determined to start a mill under his own management and with that purpose in view founded what is now the well-known Almonte Mills, and which are to-day under the control of the sons of the original Rosamond who first established them.

About the same time an enterprising man named Willett started a woollen mill in the village of Chambly in the Province of Quebec, and by the great excellence of the flannels there turned out obtained a large sale for what for years was known as the Chambly flannels. At Sherbrooke also, an enterprising Yorkshireman named Adam Lomas, started a flannel tweed mill which gradually grew in size until to-day it does a very large amount of business in all parts of Canada. In Paris, Ontario, were found some valuable water privileges and here were commenced the hosiery interests which have since grown to considerable dimensions, largely owing to the industry and ability of John Penman and other gentlemen who have formed companies, and by harnessing the Grand River to their machinery have built up a great and important Canadian industry. So at Dundas, with a hosiery mill in operation under the management of Leonard Brothers, sons of the late Samuel Leonard—who was trained in Leicester and brought to Canada the skill acquired in Great Britain. Thus in various parts of Canada manufacturing establishments have sprung into existence and have had a powerful influence upon the commerce of the Dominion. But it may be said that before 1850 there existed practically no manufacturing worthy of the name, and that prior

to that date the great bulk of the goods consumed in Canada had to be imported from Great Britain, the United States, France, and Germany. Under these circumstances importers were the great pioneers of trade, the more important of these being the importers of dry-goods, groceries, hardware, clothing, and boots and shoes.

At the beginning of the present century Quebec was the only ocean port which large vessels could enter, and here for some time was concentrated the chief importing interests of the country. Amongst the merchants of the time the names of Masson, Thibaudeau, Stirling, McSheyne, and Ross stand out prominently as the great leaders in the commerce of the country during its earlier history, and these men are still remembered as being among the chief merchant princes and pioneers of trade in their day and generation. But the mighty waters of the St. Lawrence were wide, if not deep, and an agitation led to a call for deepening the river at those points where it was too shallow to admit of large vessels ascending as far as the City of Montreal, then rapidly asserting itself and anxious to make itself felt as a port to which ocean-going vessels should come, and by coming, make Montreal the centre of a great distributing trade. In due course, the river was deepened, and the natural result followed. Vessels ascended the river, and henceforth Montreal went forward with leaps and bounds until she became the chief city of the Dominion. In 1809 the first steamship was launched upon the St. Lawrence, and in 1817 there was established the first bank in the country—the Bank of Montreal—which still continues a healthy and prosperous existence, and is to-day the largest bank in the country. In 1821 the Lachine Canal was commenced, but the factor that most went to establish the commercial eminence of Montreal was the opening of the Grand Trunk Railway in 1855, and the building of the Victoria Bridge across the St. Lawrence River in 1860.

The opening of the Grand Trunk, united with the deepening of the St. Lawrence River, naturally made Montreal a great distributing centre, and at this time it drew to the city a body of able men of business with capacity, experience, and capital to take due advantage of the propitious circumstance, that, at Montreal, the river, the

ocean, and the railway all met in happy combination. Upon this combination the merchants of Montreal built up a large and prosperous trade. These men, together with the business men of Quebec and Toronto, may be said to constitute mainly the pioneers of trade in the Dominion of Canada, and it will be a pleasant task to call back to memory a few of the more prominent of those who, in their day and generation, did so much to advance the commercial interests of the country, and give Canadian merchants an honourable name in the markets of the world. One of the first who naturally claims our attention is the Hon. George Moffatt. He was born towards the close of the eighteenth century, and coming to Canada at an early age, established the firm of Gillespie, Moffatt, & Co., which for many years did a large business in dry goods and groceries in all parts of Upper and Lower Canada, as Ontario and Quebec were then called. Mr. Moffatt was, however, not only an active, enterprising man of business, but he also possessed a strong desire to be useful in promoting the interests of Montreal. He served in the council of the city as alderman and mayor, and represented the city in the halls of the Legislature, becoming a leader in all those enterprises which had for their object the material prosperity of the City of Montreal. It was largely owing to his exertions that when the gallant Nelson, England's darling sailor, fell at Trafalgar, a monument was erected to his memory on Jacques Cartier Square. After a career of continued prosperity he died in 1865, amidst the universal regret of his fellow citizens, whose interests he had, during an active business and public career done so much to promote.

The Hon. Peter McGill, chiefly remembered now by his splendid foundation of the University of McGill College, was also one of the pioneers of trade in Canada. During his business career Mr. McGill occupied a prominent position as one of Montreal's merchant princes. He assisted at the establishment of the Bank of Montreal, conducted a large and successful business, acquired a considerable fortune, which he used mainly in establishing the College and University which bears his name, and which many of Montreal's merchants have so liberally assisted and endowed—notably Thomas Workman, who, after a long

and honourable career as a member of one of the largest hardware businesses in Canada, gave a splendid sum of money to McGill College at his death; William Molson, who built a handsome addition to the College buildings, and W. C. Macdonald, who has been a munificent benefactor to McGill, having contributed at different times a series of benefactions which has placed the Science department of the University in the very front of the colleges of America, and enabled its graduates to study the Sciences under the most favourable conditions. Another notable figure in the trade of Canada was J. G. Mackenzie, who in the year 1829, commenced in a comparatively humble way, a small dry-goods business. Owing to the ability and energy of its founder, it gradually but surely won a way to the front until the volume of business entered the millions, and trade came from all parts of the united provinces of Upper and Lower Canada. He was a Scotchman with all the shrewdness and ability for which his countrymen have become noted. He was not much given to public life, but in the circles of business was influential, and did much to build up the growing commerce of Montreal, dying at the age of eighty-four, amidst the universal respect of the public.

Scotchmen appear to have had a large share in shaping the commercial destinies of Montreal and of Canada, and perhaps few of the pioneers have had more influence upon the commercial welfare of that city than the two brothers, Joseph and Edward Mackay. Highlanders, born in the north of Scotland, Joseph, in 1811, and Edward in 1813, they came to Canada in the early thirties. They opened up a warehouse in Montreal, importing woollens and general dry-goods in large quantities, and thus built up a successful trade. Besides careful attention to their business, Joseph took a deep interest in the affairs of the Presbyterian Church, of which he was an attached member, and Edward gave much thought to banking and other commercial interests, and as a Director of the Bank of Montreal for many years was a powerful factor in building up its interests and those of the city generally. Both were bachelors and both were distinguished by kindness of heart and clearness of judgment, and in addition to many other acts of charity, they crowned their life and work by building and endowing the Mackay Insti-

tute for Deaf Mutes, which has been so useful and beneficent to the unfortunate class demanding its kind offices. Another pioneer merchant who, after building up a large business and acquiring a large fortune, passed to his rest, was James Johnstone—noted for rigid adherence to what he considered sound lines of business, and who, though not cut out for public life nor caring to enter either the civic or parliamentary arena, yet by his firm adherence to principle has done much to leave the impress of his personality upon the business methods of Montreal.

But there are three men who have done more to build up the trade and commerce of the Metropolitan city than all the others. The first was George Stephen—now Lord Mount Stephen—who coming out to Canada about the year 1854, entered the warehouse of his cousin, William Stephen. He had previously been engaged in a wholesale house at St. Paul's Churchyard, London, England, and there had acquired an experience which he soon put to use in Canada. He won rapid promotion in his cousin's warehouse, and by his ability and activity largely increased the business. He was soon made buyer, and here came, shortly after his appointment, one of those opportunities which an able man knows how to improve. There had been a fire in the warehouse where he had himself been employed. He obtained permission to inspect the burnt stock before the public was admitted, made an extensive purchase, shipped it out to Montreal, and sold the goods at a large profit. This placed him at once very high in the opinion of William Stephen. He became his partner and upon his death chief of the firm of Wm. Stephen & Co. Shortly after this the woollen industry of the country began to grow into importance, and seeing another opportunity to go forward he paid great attention to the development in this direction and perhaps did more than any other merchant in Canada to bring the woollen industries to their present state of perfection. At this time also the country was demanding a complete system of railways to bind the great Dominion together. He had obtained a large interest in the St. Paul and Minneapolis Railway and this brought him into relationship with men like J. J. Hill of St. Paul, Donald A. Smith of the

Hudson's Bay Company, R. B. Angus, and Duncan McIntyre, and from their co-operation came the railway combination which ultimately built and operated the Canadian Pacific Railway, now exercising so much influence upon the progress and welfare of Canada. Lord Mount Stephen, besides being a shrewd and enterprising man of affairs and thus enabled to acquire a large fortune, has also endeared himself to his fellow citizens by his munificent charities which, in the concrete form of the Victoria Hospital of Montreal, will hand his name down to posterity, along with that of Sir Donald Smith, as not only a man of eminent business capacity, but also as one of Montreal's greatest benefactors.

The second name is that of Andrew F. Gault, born in the north of Ireland in the year 1833, who came with his father, mother, three brothers, and three sisters to Canada about the year 1848. They settled in the city of Montreal; then a place of about 40,000 people, and Andrew Gault, after learning the dry goods business pretty thoroughly, saw the coming future of trade through the deepening of the St. Lawrence River and the opening of the Grand Trunk Railway. He commenced business with the late James Stevenson under the firm name of Gault, Stevenson & Co., but shortly dissolving this partnership he associated his brother Robert with himself and started, about the year 1854, the firm of Gault Bros. & Co., which has so continued up to the present day. He also saw for the cotton industries of the country a coming future, and throwing himself into the new enterprise with all his natural vigour and ability soon became a chief factor in uniting these local industries under a common management, and thus largely helped to build up the present powerful combination known as the cotton combine, which has done much to give stability to the cotton manufacturers of Canada. No merchant of Montreal is better known or more highly respected than Andrew Gault, and like so many of his fellow merchants, while following with ability and success the mercantile career, he has not forgotten the claims of benevolence and charity. Amongst his many benefactions one institution, the Montreal Diocesan College, will long help to keep Mr. Gault's memory green in the country of his adoption.

The third of the three merchants who form the trio mentioned is David Morrice, a Scotchman by birth, being born at Perth, Scotland, in the year 1830, and endowed with all the energy, shrewdness, and business capacity which has stamped his nationality upon Canadian development. He first commenced his career in Toronto, but about thirty years ago was attracted to Montreal, and undertook there the agency of several of the cotton and woollen mills then coming into active existence. He soon acquired a preponderating influence in this department of trade, and may be said to have largely laid the foundation of the present cotton manufacturing of Canada—in connection with Mr. Andrew Gault. He and his sons now represent the chief cotton as well as many of the woollen and hosiery mills of the country, and perhaps no other man has so much impressed his personality upon the trade of Canada for the last quarter of a century as Mr. David Morrice. Like Lord Mount Stephen and Mr. Andrew Gault he has also been a generous giver to the cause of education and benevolence. He has contributed to the Montreal College a handsome addition, known as the David Morrice Hall.

Many other merchants have had their influence upon the trade of Canada. As is the case with all cities and nations, the men for the occasion arise and, in this respect, Montreal has had her fair proportion of merchants well qualified to maintain her position, and push forward with vigour the enterprises which make for the welfare and progress of the country. Amongst others who stand out prominently are such men as Sir Hugh Allan, who did for navigation, in connection with the city of Montreal, more than any other man. Together with his brothers, Andrew, James, and Alexander, he established the Allan line of steamships which has done so much to build up the commerce of that city and make it one of the chief seaports of the world. As in Montreal, so in Toronto, able men were pushing the trading interests of the country, and as far back as 1800 to 1820 we find men like the late Hon. William Allan busy proving the maxim "trade and get rich." William Allan was a most enterprising and honourable man, and succeeded in both creating a large business and in

acquiring great wealth in his double capacity of merchant and banker. When he died he left his son, the present Hon. G. W. Allan, a splendid estate in the city of Toronto and an ample balance in the bank. His former partner, Alexander Wood, was also a prominent pioneer in trade during the early part of the nineteenth century, and he has left behind him the name of Wood Street, Toronto, as a memento of his busy life in the Queen City of Canada.

But, coming down to more recent times, amongst the many able men who have contributed to make Toronto the prosperous city it is, the names of William McMaster and John Macdonald stand pre-eminent. The first-named merchant was born in the North of Ireland and came out here about 1836 to seek his fortune. His clear insight, his patient perseverance and his resolute will soon brought him to the front, and believing in "Old Richard's" maxim that it was better to hire himself than be hired by another man, he soon entered the wholesale dry-goods importing trade, rapidly developed an extensive business and acquired at the same time a large fortune. Those were the days when what are now known as supply stores were started in the smaller towns and villages of Upper Canada. William McMaster wisely selected his men to take charge of such stores as he decided to support, and thus was able to build up a very successful business, profitable to himself and at the same time helpful in bringing Toronto to the front as a good distributing point. Mr. McMaster in due course was called to the Senate as a fit person to represent the commercial interests of Ontario, and especially of Toronto, in the Upper House of the Dominion. He made no pretence of being a politician, but was generally regarded as a man of Liberal leanings, and was both the friend and supporter of the late Alexander Mackenzie. He was also a great supporter of Baptist principles and left a large proportion of his great wealth to build and endow McMaster University, which for all time to come will keep his memory fragrant in the minds of the Baptist Church of which he was during his long life so devoted a member.

John Macdonald was in many respects a similar man, yet gifted with more readiness in speech, and having, perhaps, a greater degree

of suavity of manner. He was born in Scotland, came to Canada when quite a youth, like McMaster, and early entered into business for himself, starting first in the retail way in the year 1847. He soon left the retail business, however, and commenced in the wholesale line, a business which continues to the present day. His natural sagacity, combined with his clear views and strong principles, soon made him a power not only in trade circles but also in the inner circles of politics. He entered Parliament as a member for Toronto, and there held a high position as a man of Liberal views and independent action. But it was chiefly as a leader in the Methodist Church that John Macdonald was best known. Here, by reason of his natural talent for ministerial work—being an excellent local preacher among his co-religionists—his clear common sense and his generous liberality, he acquired a vast influence. Beyond this his great public spirit naturally made him a force in all public matters. Notably was this the case when the Fenian Raid occurred, and at a public meeting the question was being debated how to raise money for the families of the men who went to the front. John Macdonald got impatient at the delay in bringing matters to a point, and rising suddenly in the meeting exclaimed, "I will give \$1,000, what will the other merchants give?" With this send off the sum required was at once subscribed. During his life he was ever ready to help all objects which had the welfare of humanity at stake, and was distinguished particularly as the friend of young men, and a liberal supporter of Young Men's Christian Associations, and of all the benevolent schemes of the Church of which he was a member. At his death it was universally felt by his fellow citizens that in losing John Macdonald the city had lost one of those rare men who while shrewd and far-seeing in business, yet served his day and generation according to the will of God, and became a model for the future merchant to keep before his eye as a true standard of what a business man should aim to become.

These and other pioneers of Canadian commerce have now largely departed, but a similarly able body of men are still busily engaged in directing the now greatly extended trade of Canada.



**The Hon. John Molson, M.E.C.**, was one of the men who did very great service to Canada in its early days. He was a pioneer in business, in banking and in transportation. Born in England in 1764, he came to Montreal at the age of eighteen, and when the future metropolis had only a few thousand people within its gates. By the mortgaging of his estates in Lincolnshire he obtained enough money to start a brewery, but before success came he had to sell out everything he possessed in the way of property and invest it in what looked to most people a hopeless enterprise. Eventually it was successful and laid the foundation of the great fortunes of the family. In 1809, two years after Fulton's experiment on the Hudson, Mr. Molson built and launched the *Accommodation*—the first steamboat on the St. Lawrence. This was followed by others until a good service was established. He was President of the Bank of Montreal during a period of great commercial difficulty, and for many years was a member of the Executive Council of Lower Canada. He died in 1836.

**The Hon. John Molson, M.L.C.**, was born in Montreal on October 14th, 1787, and at an early age became connected with his father's various enterprises, proving himself both energetic and capable. He was a pioneer in railway development and was President of the St. Lawrence and Champlain—the first Provincial railway. For many years he was a Director of the Bank of Montreal, but retired in 1853 to join his brother, William, in organizing the Molsons Bank—an institution which gradually attained and has since held a foremost financial position. In politics Mr. Molson was a Conservative and a member of the Special Council which replaced the Legislature of 1837. He preferred, however, to work along the line of material rather than political development. During the Rebellion he shouldered a musket for the Crown, but afterwards deeply resented the Rebellion Losses Bill and was one of the first signers of the famous Annexation manifesto of 1849. For this he was deprived of his commissions as a Magistrate and a Colonel in the Militia. He was noted for his generosity as well as wealth, and there was hardly an institution in Montreal of a charitable nature

which he did not largely assist. McGill College benefitted greatly by his share in the endowment of the Molson Chair. He was a Governor and President for many years of the Montreal General Hospital, and died in 1860, deeply regretted by all who understood the value of his services in the development of the City and Province.

**The Hon. James Crooks, M.L.C.**, was born at Kilmarnock, Scotland, in 1778, and came to Canada at the age of sixteen. He established himself as a merchant at Niagara, and is stated to have sent the first load of wheat and the first load of flour from the Upper Province to Montreal—a matter of both danger and difficulty in those days. For twenty-five years he was a member of the Legislative Council of Upper Canada, and during the war of 1812 was in command of a company of the 1st Lincoln Militia, fighting gallantly at Queenston and other places. He established the first paper-mill in Upper Canada and carried it on successfully at Flamborough for many years and until old age supervened. A pioneer trader, a first settler, a popular and respected public man, a loyal Canadian in every sense of the world, Mr. Crooks died in 1860 at the advanced age of 82.

**The Hon. John Young played a most important part in the industrial progress of Montreal and the Canadas during a period of forty years.** Born at Ayr, Scotland, in 1811, and educated at the public school of his parish, he for a time acted as a local school-teacher until in 1826 he had saved enough to emigrate to Canada. After nine years of mercantile work, he was able to enter into partnership with Mr. David Torrance of Montreal. From this time his business success was great and continuous, while his public services to Montreal and the Province generally were equally prominent. He served during the Rebellion of 1837, and in the stormy election of 1846 held the difficult post of Returning Officer for the city. After the repeal of the Corn Laws he became President of a local Free-trade Association, and later on Chairman of the Montreal Harbour Commission. He was a pioneer railway projector and one of the earliest advocates of the Victoria Bridge scheme. So with plans for canal



improvements and the building of the Inter-colonial Railway. In 1851 he entered Parliament and the Government of Mr. Hincks. After eleven months he retired from the Cabinet, but remained a member of the Legislature until 1858. In 1872 he was elected to the Dominion Parliament, and died in 1878. Always a warm advocate of Reciprocity with the United States, he was a prominent member of the celebrated Detroit Convention and was twice sent on commissions to Washington—once in 1849 and again in 1863. He was Canadian Commissioner at the Sydney International Exhibition of 1877, and a strong and frequent writer upon trade questions, as well as canal, railway and industrial topics.

**The Hon. Peter McGill, M.L.C.**, was born in Wigtonshire, Scotland, in 1789, and in 1809 came to Canada to join his uncle, the Hon. John McGill. His name was originally McCutcheon, but in 1821, by Royal License, he assumed that of his uncle, whose great wealth he inherited three years later. The firm of Peter McGill & Co. was then formed, and through many financial fluctuations continued to maintain a high place in the commercial life of Montreal. In 1819 Mr. McGill became a Director of the Bank of Montreal, Vice-President in 1830, and President in 1834. The latter position he held until his resignation in June, 1860. For some time he was President of the Montreal branch of the British and Foreign Bible Society, and of St. Andrew's Society. He was Superintendent of Royal Arch Masonry in Canada and the first Mayor of the city of Montreal. He was also a Governor of McGill University, a Governor of the Montreal General Hospital, President of the Lay Association of the Church of Scotland in Montreal, Chairman of the St. Lawrence & Champlain Railway Company, President of the Montreal Board of Trade in 1848, Director of the Grand Trunk Railway, and a Trustee of Queen's University, Kingston. He was a Lieut.-Colonel in the Militia; a member of the Legislative Council of Lower Canada from 1832 till the Union, and of the Executive Council from 1839; a member of the Canadian Legislative Council after 1841; Speaker of the Council and a member of the Government in 1847-8. He died in 1860.

**The Hon. James Skead, Senator of Canada**, was born in Cumberland County, England, in 1816, and when a boy was brought to Canada, where his father settled at Ottawa—then little more than a village. In 1840 Mr. Skead went into the woods with a squad of men and commenced his work as a pioneer and most successful lumberman. During the prolonged business career which followed he was usually successful and always enterprising. He was at different times President of the Dominion Board of Trade, the Ottawa Board of Trade, the Ottawa Agricultural Insurance Company, the City of Ottawa Agricultural Society, the Agricultural and Arts Association of Ontario, the Ottawa Conservative Association, the St. George's Society of Ottawa, and the Upper Ottawa Steamboat Company. He was a Director of the Ottawa Association of Lumber Manufacturers, the Ontario Fruit Growers' Association, the Canada Central Railway, and several other Railway Companies. In 1862 he was elected a member of the Legislative Council, and at Confederation was called to the Senate by Royal Proclamation. He was President of the Conservative Convention which met in Toronto in September, 1874. He died in 1884.

**The Hon. Austin Cuvillier** was for many years one of the merchant princes of Montreal and an active, aggressive figure in current politics. His business talents were very great, and his commercial establishment was for a long time one of the most extensive in Canada. He was one of the founders of the Montreal Board of Trade and was Chairman of its first meeting. In 1815 he entered the Lower Canada Legislature as member for Huntingdon, and soon became a recognized authority upon all matters connected with finance and commerce. This seat he held until 1834. He represented, in 1828, before the House of Commons—together with the Hon. D. B. Viger and the Hon. John Neilson—some 87,000 inhabitants of the Province, who had signed a petition to the King complaining of their deprivation of certain political rights; and his examination before a Select Committee of the Imperial Parliament proved his ample fitness for the position. Mr. Cuvillier was again elected for

Huntingdon in 1841 to the first Assembly of the United Provinces and became at the same time the first Speaker of the House. He died in 1849, leaving behind him a high reputation as a pioneer merchant and an able politician.

**The Hon. John Simpson, Senator of Canada,** was born at Rothes, Scotland, in 1812, and when three years of age was brought to Canada by his father, who settled at Brockville. In 1825 the son went to what is now the town of Bowmanville and entered into business with Charles Bowman, after whom the place is named. With him or his family he retained business connections until 1848, in which year he opened a local branch of the Bank of Montreal. A little later he opened another at Whitby, and in 1857 assisted in founding the Ontario Bank, of which he became President. This position he held until 1878. He served as a Magistrate for many years; was a Commissioner to manage the Insane Asylum at Toronto; and represented the Queen's Division in the Legislative Council from 1856 until the union of the Provinces when he was called to the Dominion Senate. For many years Senator Simpson was actively engaged in milling, obtained the highest award and diploma for his flour at the London Exhibition of 1851, and was awarded a gold medal by the Earl of Durham for the best flour produced in Canada. He died in 1885, leaving a reputation for business ability, kindly feelings and strong Liberalism.

**The Hon. Isaac Buchanan was born in** Glasgow in 1810, and at an early age entered his father's mercantile firm. In 1830 he came to Canada and founded a branch of the wholesale business in Montreal, and subsequently in Toronto, Hamilton and London. Success was almost immediate, and the pioneer firm of Buchanan, Harris & Co. soon became well known in Great Britain as it was in Canada. In 1841 Mr. Buchanan contested Toronto for the Legislature, and after a somewhat memorable struggle was elected. His political views were rather varied. He was a Liberal, but opposed to the Rebellion and its promoters; a believer in some kind of commercial union with the States, but at the same time a pioneer in the advocacy of Protec-

tion; and a strong believer in a larger paper currency. He resigned after one year in the Assembly, but in 1854 contested Hamilton unsuccessfully with Sir Allan McNab. In 1857, however, upon that leader's retirement, he was elected, and again in 1861 and 1863. In 1864 he was President of the Council for a brief period in the Taché-Macdonald coalition, but in the succeeding year retired from public life. His dominant characteristics were perseverance, skill in business, and a strong will which seldom bent to new impressions, and never to any change which was not a matter of principle. He wrote largely upon banking, trade and currency topics; was at one time President of the Toronto and Hamilton Boards of Trade; was a strong promoter of the Great Western Railway; and had been a vigorous supporter of Sir Charles Metcalfe, although himself a thorough believer in responsible government. He was practically the father of the Canada Southern Railway. Mr. Buchanan retired from business in 1878, and died in 1882.

**The Hon. John McMurrich was born near** Paisley, Scotland, in 1804, and for some years after leaving school worked in the office of a wholesale firm in Glasgow. In 1833 it was decided to open branch houses in Canada, and Mr. McMurrich was despatched to supervise the undertaking. He organized the business in Kingston and Toronto under the name of Buchanan, Bryce & Co. After some years' residence in Kingston he came to Toronto in 1837, and the firm became known throughout Canada as Bryce, McMurrich & Co., and so remained until his death in 1883. In 1860 he was a member of the City Council and Chairman of the Finance Committee. For two years following 1862 he represented the Saugeen Division in the Legislative Council, and from 1867 to 1871 sat in the Ontario Assembly for West York. He was an active member of the Toronto Board of Trade; the first President of the Dominion Telegraph Company; Vice-President of the Toronto, Grey and Bruce Railway; Trustee for the Credit Valley and other lines; Director of the Consolidated Bank; Member of the Canadian Board of the North British Investment Company, and the Scottish and Ontario-Manitoba Company. From

1847 to 1850 he was a member of the Provincial Board of Education, and again from 1858 to 1870, with one year's exception.

**The Hon. James Rea Benson**, Senator of Canada, was born in 1807, and for many years was engaged with much success in milling and its kindred pursuit of shipping. He had large interests in lake vessels, and his business enterprise did much to build up St. Catharines. Personally he amassed a large fortune. For some time he served in the Town Council and later in the Lincoln County Council. He was President for many years of the Niagara District Bank, and upon its assimilation with the Imperial Bank of Canada became a Director of the latter—a position which he held until his death. In politics a Conservative, he was elected a member of the Legislative Council of Canada in 1867, and when, during the same year, Confederation was effected, he was returned to the House of Commons. He became a Senator in 1868, and died in 1885.

**The Hon. Adam Hope, Senator of Canada**, was born in East Lothian, Scotland, in 1813. He came to Canada in 1834, and at once entered mercantile life. Commencing business on his own account at St. Thomas, Ont., in 1837, he removed to London in 1845, and in 1865 to Hamilton, where he became connected with the enterprises of the Hon. Isaac Buchanan, and assumed the chief place in the firm known as A. Hope & Co. This extensive wholesale iron business he carried on until his death in 1882. Mr. Hope was appointed to the Canadian Senate in 1877. He was a Director of the Canadian Bank of Commerce, President of the Hamilton Provident and Loan Society, and President of the Reform Association of that City.

**James Gooderham Worts** was born at Yarmouth, England, in 1818, and accompanied his father to Canada in 1831. Three years afterwards he took hold of the milling business upon his father's death, and in 1845 joined forces with William Gooderham in the now famous distillery business of Gooderham & Worts. Unusual success came to their enterprises, and upon Mr. Worts' death in 1882 he was reputed to be worth

at least \$2,500,000. He was largely interested in the Bank of Toronto, and for some time was its President. He was also a Member and at one time President of the Toronto Board of Trade, a Director of the Canada Permanent Building Society, a Member of the Harbour Commission, and Master of the Toronto Hunt. Mr. Worts was not only well known for his business ability but for activity in various directions of value to the community.

**William Gooderham**, a pioneer distiller, banker and railway projector, was born in the County of Norfolk, England, in 1790, entered the army at an early age, and served through various military events in the West Indies. In 1832, after some years' farming in the old country, he migrated to Canada and settled at Toronto, where he joined his brother-in-law, Mr. James Worts, in partnership. The two entered upon a retail milling business, which soon developed into large proportions and afterwards included the distillery which has made the name of the firm famous and Mr. Gooderham and his descendants very wealthy. After Mr. Worts' death in 1834, one part of the business had been carried on separately by his son, but in 1845 the whole concern was combined. Mr. Gooderham was for fifteen years President and chief shareholder in the Bank of Toronto, and under his management the firm became the projectors and practically owners of the Toronto and Nipissing Railway and the Toronto, Grey and Bruce Railway. Mills belonging to the firm were also established at Meadowvale, at Pine Grove, in Vaughan, and at Streetsville. Mr. Gooderham died a millionaire in 1881, leaving a name noted for business ability, a firm employing over a thousand men, and a reputation as a distiller not limited to the confines of Canada. He had always avoided popular honours except a term of three years in the Toronto City Council.

**Joseph McKay**, the founder of the well-known wholesale dry-goods firm of Joseph McKay & Brother, of Montreal, was born at Kildonan, Scotland, in 1811. This business was an extensive one, and from its beginning in the "forties" developed until its founder was a

millionaire and able to do his country substantial service, not only in pioneer trade but in benefactions which will always be remembered. The MacKay Institute for Protestant Deaf Mutes was founded by him at Montreal, and he was also one of the founders of the Presbyterian College there. He contributed liberally to the House of Industry and Refuge and to the Montreal General Hospital, of which latter he was a Governor for many years. He gave extensive support to the mission work of the Presbyterian Church, and by his will left \$64,000 to various charitable or religious institutions—\$10,000 each to Home and to Foreign Presbyterian Missions and to the Presbyterian College. He died in 1881.

**The Hon. Henry Rhodes** was born in London, England, in 1824, and in 1859 migrated to Victoria, British Columbia, where he embarked extensively in mercantile pursuits. In these enterprises he was eminently successful, and for many years was at the head of the well-known firm of Henry Rhodes & Co. He was for some time President of the Chamber of Commerce at Victoria, and also Hawaiian Consul at that port. In 1865 he was called to the Legislative Council of Vancouver Island, and held his seat until its union with the mainland Province. Mr. Rhodes in earlier life (1845-59) had been prominently connected with the trade of the Sandwich Islands. Throughout British Columbia he was well known not only for business success and ability but for his hospitality. He died in 1878.

**William Workman** was born near Lisburn, Ireland, in 1806, and came to Montreal in 1829, ten years after his brother, Benjamin. Following a brief effort at journalism, he took a position in the mercantile establishment of J. & J. M. Frothingham, and in 1836 organized a new firm of hardware dealers known as Frothingham & Workman. This business during thirty years of active labour on his part grew to most extensive dimensions and brought Mr. Workman both fortune and fame. He was the founder in 1846 of the City and District Savings Bank, and for six years was its President. To this institution he gave much time and attention, and his ability more than once brought it safely through troublous

times. From 1849 to 1873 he was President of the City Bank, and during three years was Mayor of Montreal. For his valuable services in this latter connection he was given two banquets by the citizens and a diamond ring. During his term of office he entertained Prince Arthur upon his visit to the commercial metropolis. Mr. Workman was at one time or another President of the St. Patrick's Society, the Protestant House of Industry and Refuge, the Montreal Dispensary, the Western Hospital, and the local Society for the Prevention of Cruelty to Animals. In politics he was a Conservative. He died in 1878.

**Damase Masson** was perhaps the most representative French-Canadian merchant in the earlier life and history of Montreal. He was born at St. Geneviève, P.Q., in 1805; commenced business at Beauharnois in 1829, and soon amassed a fortune. But it was all lost during the Rebellion of 1837, in which he took the so-called "patriot" side. In 1839, however, he re-commenced business in Montreal itself, and by the exercise of prudence, tact and ability soon won success and wealth. He reached, indeed, the very front rank, and probably the foremost place, amongst the French-Canadian merchants of his time. In 1855 he was elected to the City Council and helped to establish the Montreal Waterworks. He was a Director of the Merchants' Bank from its establishment, and of the North British Insurance Company, the Richelieu Steamship Company, and various kindred concerns. He died in 1878, leaving a memory for inflexible honesty, affable manners, open-handed charity and great ability.

**The Hon. Isaac Burpee, M.P.**, was born at Sheffield, N.B., in 1825. In 1848 he removed to St. John, and with his brother organized the firm of T. & F. Burpee, which became not only eminently successful in the conduct of a large hardware business but also widely known for its upright and honourable dealings. In 1872 Mr. Burpee was elected as a Liberal to the House of Commons for the City of St. John, and towards the close of the following year became Minister of Customs in the Mackenzie Government. This position he held amidst general appreciation of

his courtesy and industry until the elections and defeat of 1878. As a business man during the earlier days of Provincial development, he was always progressive, and never afraid to put his own money into an enterprise. The manufactures of St. John and Portland owed much to his initiative. He was an officer in many important corporations, and, amongst others, a Director of the Confederation Life Association, the Victoria Coal Mining Company, and the N.B. Deaf and Dumb Institution. He was Treasurer of the St. John Industrial School and Vice-President of the Evangelical Alliance of New Brunswick. Mr. Burpee died in 1885.

**The Hon. Charles Seraphin Rodier, M.L.C.,** Senator of Canada, was born in Montreal in 1797. He was one of the wealthiest, best known, and most respected citizens of the Province of Quebec, and left a name which will long be remembered for public and private charities. He began life as a merchant, and was one of the first Canadians who imported foreign goods. Having met with great success, he abandoned business for the legal profession, and was called to the Bar in 1841. In 1857 he was elected Mayor of Montreal, and was re-elected in the three succeeding years. His popularity during his administration was very great and he was generally known as the "Father of the People." In 1861 he did the honours of the city to the Prince of Wales, and in 1862 to Prince Alfred and Prince de Joinville. In 1867 Mr. Rodier was appointed to the Legislative Council of the Province for the District of Lorimier, which he represented in the Conservative interest. He has been described as a tall, handsome man, of lordly manners, and full of activity. Up to within a few months of his decease in 1876, he bore his years with wonderful freshness of mind and body. He had been President of the Quarter Sessions of the Peace for the city, and a Harbour Commissioner; a Commissioner to settle losses arising out of the Rebellion of 1837-8; and was a Director of La Banque Jacques Cartier and a Lieut.-Colonel in the Militia. In 1888 he was called to the Senate.

**The Hon. George Moffatt, M.L.C.,** exercised during his prolonged life a wide commercial and

political influence in Lower Canada. He was born in the County of Durham, England, in 1787, and when but a youth came to Canada to make his way in commerce and trade. Montreal was then little more than a trading post, and the young emigrant soon found himself engaged, with some success, in trading expeditions into the wilder parts of the country and amongst the Indians. Finally he formed a business partnership, which existed under different designations until his death. Essentially a pioneer in trade, he was also a much respected public man. During the war of 1812 he served as a volunteer; in 1831 was called to the Legislative Council; and during much of the succeeding troubled period was a leader of the British party in that body. In 1837 he went to England to represent the interests of the English minority and to try to obtain permanent endowments for the Protestant schools and colleges of Lower Canada. He was a warm advocate of the union of the Provinces, and in 1841 was elected a member for Montreal in the new House of Assembly. In 1844, after a year's retirement, he was re-elected and sat until 1847, when he declined to stand again. He had twice before refused re-appointment to the Legislative Council. During the annexation movement of 1849 he stood to his principles, and presided for a time over the British-American League, which had been formed to counteract that foolish agitation. He died in 1865 amid the deepest respect of the community amongst whom he had so long lived and laboured.

**The Hon. Edward Murphy, Senator of Canada,** was born in County Carlow, Ireland, in 1818, and came to Canada in 1824. At the age of fourteen he became clerk in a Montreal hardware business, and in 1846 entered the employment of Frothingham and Workman, where he remained until 1859, when he was given a partnership in that most extensive business. He was Secretary for many years of the first Irish Catholic Temperance Society in Canada, and was several times President of the St. Patrick's Temperance Society. He was a Captain in the Montreal Militia, President of St. Patrick's Society, a Justice of the Peace, a Director and then President of the City and District Savings Bank, and Vice-President of the Natural History Society

and the Numismatic and Antiquarian Society of Montreal. In 1889, Mr. Murphy was called to the Senate and seven years before this had been made a Chevalier of the Order of the Holy Sepulchre. He was a Life Governor of the Montreal General Hospital and the Notre Dame Hospital; a Member of the Montreal Board of Trade; and a Life Member of the Art Association and Mechanics' Institute. Taking a great interest in education, he was for many years a Catholic School Commissioner for Montreal, and a Governor of Laval University. Towards the promotion of commer-



The Hon. Edward Murphy.

cial education he founded a scholarship of \$100 a year in perpetuity. He died in 1896, leaving a name greatly respected for business skill, silent and bountiful charity, devotion to his Church and to the interests of Montreal and the community at large.

**David Torrance was one of those Merchant Princes of Montreal** whose long business career identified his name with the interests of the whole Dominion. Born in New York, U.S.A., in 1805, his

early years were spent in Kingston with his father, James Torrance, who then carried on an extensive business in that locality. In 1821 he entered the service of his uncle in Montreal, the late Mr. John Torrance, as a clerk, and about 1832 became a partner in the firm then known under the name of John Torrance & Co., his friends, the Rev. Dr. Wilkes and the Hon. John Young, being clerks in the same house. With a view to extending his business, in 1835, Mr. Torrance entered into partnership with Mr. Young in Quebec, under the firm name of Torrance & Young, and on the retirement of the late Mr. John Torrance, the firm's name was changed to that of D. Torrance & Co., which continued to the date of his death in 1876, one of his partners for many years past having been Mr. Thomas Cramp. As a business man Mr. Torrance had few equals in foresight and enterprise. Comprehending the great future which was before Montreal and her merchants, he did not hesitate to venture upon the cultivation of trade between China and Japan and Montreal nearly half a century ago, when the population of all Canada was less than half what it is to-day. His force of character and thorough business spirit manifested themselves not only in the different import trades which he cultivated, but in the wide connections which he formed with New York, San Francisco, London and other ports of the commercial world. The business of the house at these places often largely exceeded the transactions in Montreal, and gave to his firm its present world-wide reputation. In everything which was calculated to promote the interests of his own city Mr. Torrance was prominent, and was one of the first to embark his means in the establishment of steamboat traffic on the St. Lawrence. For many years he was a Director of the line of steamers known as the "Richelieu," and when the trade of the port required it, assisted more materially in the foundation of the Dominion Line of ocean steamers. For a considerable period Mr. Torrance was a Director of the Bank of Montreal, of which, in 1873, he was elected President. This position, with many others of great public trust, he held until the day of his death.

**The Hon. James Ferrier, Senator of Canada,** was born in Fifeshire, Scotland, in 1800, and at



the age of twenty-one emigrated to Canada. He settled in Montreal, where he soon established himself, and in a dozen years had acquired a fortune. He became a Director of the Bank of British North America upon its establishment in the Provinces, and was for six years President of the Montreal Assurance Company. In 1837 he stood for British principles of loyalty and shouldered his musket in their defence. For some years he was in the Montreal City Council, and in 1845 became Mayor. During the succeeding year he was appointed a Lieut.-Colonel in the Militia, and promptly organized a regiment. He became a member of the Legislative Council in 1847, and two years before had been appointed upon the Board of the Royal Institution for the Advancement of Learning. In this position he did McGill University much service. Mr. Ferrier projected the Montreal and Lachine Railway, and was for some time a Director, and then Chairman of the Canadian Board of the Grand Trunk. He was at various times President of the St. Andrew's Society, the Quebec Temperance and Prohibition League, the Montreal Temperance Vigilance Association, and the Montreal Auxiliary Bible Society; Vice-President of the Sabbath School Association of Canada and of the French-Canadian Missionary Society; Chancellor of McGill University, Director of the International Bridge Company, etc. He was called to the Senate in 1867, and was at the same time appointed to the Legislative Council of Quebec Province. He died in 1888, greatly respected by the entire people of the Province.

**The Hon. Isidore Thibaudeau, ex-M.P.**, was descended from a French family, mentioned in history as being in existence during the reign of Louis XV., and which, on the breaking out of the Revolution of 1789, migrated to Acadia and thence to Canada. Born at Cape Sauté, P.Q., in 1819, he was for many years head of the firm of Thibaudeau, Thomas & Co., wholesale merchants of Quebec and Montreal. He was also Vice-President of La Banque Nationale, and of the Quebec Steel Company. He had been President of the St. Jean Baptiste Society of Quebec and a Director of the Grand Trunk Railway. Mr. Thibaudeau was President of the

Executive Council of Canada from May, 1863, to March, 1864 (in the Sandfield Macdonald and Dorion Administration). He sat for Quebec Centre in the Canadian Assembly from 1863 until the Union, when he retired, and was appointed to represent the Kennebec Division in the Quebec Legislative Council. There he remained in charge of Liberal measures until January, 1874, when he was elected to the House of Commons for Quebec East, by acclamation, as a supporter of the Mackenzie Administration. He resigned his seat in 1877 in favour of the Hon. Wilfrid Laurier. Mr. Thibaudeau died in 1893.

**The Hon. William Todd, a pioneer in the development of New Brunswick**, was born in 1803 in the State of Maine, and at an early age was brought to the British Provinces by his father, who settled at St. Stephen. There the son was educated until old enough to enter upon his life pursuit of the manufacture and exportation of lumber. For fifty years he pursued this line of work with signal success, besides taking part in every enterprise calculated to develop the resources of the Province, and especially of the valley of the St. Croix. He was President of the Princeton Railway, of the St. Stephen Branch Railway, and of the later consolidation of several small lines with the Brunswick and Canada Railway. In 1844, he was elected a Director of the St. Stephen's Bank, and in 1849 became its President. In 1854, Mr. Todd was appointed to the Legislative Council of the Province, and took an active interest in the improvement of educational facilities and reform in the management of public lands. At Confederation he was offered a place in the Senate of Canada, but through ill-health felt compelled to decline it. He was an earnest church worker in the Congregational denomination and President of the local Bible Society for many years. Mr. Todd, who died in 1873, was a free-trader in principle and a Liberal in politics.

**The Hon. Robert William Weir Carrall, M.D.**, Senator of Canada, was born near Woodstock, Ont., in 1839, and died there on the 19th of September, 1879. Senator Carrall was the son of James Carrall, who for twenty years was Sheriff of the County of Oxford, Ontario, and grandson



of John Carrall, a United Empire Loyalist who removed to Upper Canada some time during the Revolution. He was educated at Trinity College, Toronto, but did not graduate. He graduated at McGill University, Montreal, as M.D., in 1850, and after practising his profession for some years in Canada joined the Northern army during the Civil War in the United States, as a surgeon. He was under General Banks at New Orleans, and attached to other divisions of the Federal Army in the Southern States, and at Washington. After serving some three or four years in this way, he went to Vancouver Island, B.C., and practised his profession at Nanaimo; thence he went to the Cariboo gold mines. There he was very fortunate in his mining enterprises. The agitation having arisen in the lower country in favour of Confederation with Canada, he joined heartily in the work. In 1868, he was selected by the people as a candidate to represent the Cariboo district in the Legislative Council of British Columbia. He was re-elected in 1870 and became a member of the Executive Council under the administration of Governor Musgrave. In 1870 he was appointed one of the delegates, with Messrs. Trutch and Helmcken, to negotiate upon the terms of Confederation which had been adopted by the Legislative Council. After they had been amended at Ottawa and adopted again by the Legislative Council in 1871, and the Province been duly united to Canada, Dr. Carrall was called to the Senate. In politics he was a Conservative, but never took a very conspicuous part in the questions coming before the Senate. He was always good-natured, social and companionable, and had a wide circle of acquaintances and friends. He was well known from Cariboo to Halifax. One of the matters for which he was responsible was the Act passed in 1879, making Dominion Day a statutory holiday in British Columbia.

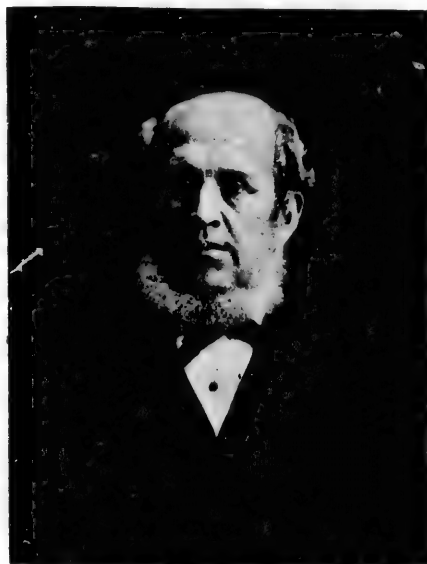
**James MacLaren, one of the Lumber Pioneers** of the Ottawa Valley and one of the wealthiest citizens of the Dominion Capital, was born near Glasgow, Scotland, in 1818, and came to Canada with his parents when a boy. The family settled on a farm in Carleton County, and as soon as his school-days were over young MacLaren and one of his brothers went into partnership in a lumber-

ing business. In 1856 James MacLaren joined the firm of J. M. Currier & Co., as a partner, and a few years later the entire business, including important mills at Buckingham, passed into his hands. In this direction he was eminently successful, but his enterprise included a wide range of transactions beyond and outside of its scope. He took much interest in the formation of the Bank of Ottawa and was President of the institution from its foundation until his death. He was a member of the firm of W. McClymont & Co., of New Edinburgh, and the Canada Lumber Company of Carleton Place; Vice-President of the Shepherd-Morse Lumber Company of Burlington and Boston; President of the MacLaren-Ross Lumber Company of New Westminster, B.C., and of the North Pacific Lumber Company of Port Moody, B.C. In mining operations in Ottawa and Hastings County, and in the sugar, salt, and silver industries of Western Ontario he was largely interested. A man of strictly temperate habits and strong constitution, he died in 1892, leaving behind him a reputation for unusual and keen business ability, great energy and commercial honour. His fortune was estimated at \$6,000,000.

**The Hon. Billa Flint, Senator of Canada**, was born at Elizabethtown, Ontario, in 1805, and at eleven years of age was working in his father's shop at Brockville. In 1829 he settled in Belleville, and for over half a century carried on a heavy business as a lumber dealer and general merchant. He employed at times a large number of men and his average turnover of capital was considerable. Besides his general business, Mr. Flint did much pioneer work in the way of erecting buildings—houses, stores, mills, barns—to the number of perhaps a hundred. In 1836 he was elected President of the Belleville Police Board and made a Justice of the Peace. He was Reeve of Elzevir—where his lumbering business centred—for twenty-one years, Mayor of Belleville in 1866, and Warden of the County in 1873. From 1847 to 1851 he sat in the Canadian Assembly, and again from 1854 to 1857. In 1862 he was elected to the Legislative Council from the Trent Division and was called to the Senate in 1867. He was a strong Liberal, a self-educated and very

successful business man—a typical Canadian pioneer. Senator Flint died in 1894.

**Robert Hay, M.P.,** was born in Perthshire in 1808, and after some years' apprenticeship and work as a cabinet-maker came to Canada in 1831. Four years later he commenced business as a furniture manufacturer in partnership with John Jacques. From a total capital of \$800, the business grew until the firm shipped largely abroad, besides supplying a good portion of the home market. Mr. Hay also controlled



Robert Hay.

a saw-mill and other enterprises. He was a Director of the Credit Valley Railway and of the Toronto Electric Manufacturing Company. In 1878 he was elected to Parliament from Centre Toronto as an advocate of Protection, and was re-elected in 1882. Mr. Hay was a strong prohibitionist, a pioneer manufacturer and a much respected politician. He died in 1890.

**The Hon. Elijah Leonard, Senator of Canada,** was born near Syracuse, N.Y., in 1815, and in

1830, after receiving a good common school education, came to Upper Canada with his father. In 1834 they settled in St. Thomas and went into the business of manufacturing agricultural implements of a somewhat primitive type. In 1839, after having meanwhile bought out and run the business for himself, young Leonard moved to London—then a place of 1,000 inhabitants—and continued operations there until the building of the Great Western Railway gave him the opportunity of going in for the manufacture of railway rolling stock, which he did upon a large and successful scale. For some years he was an Alderman of the City of London, and in 1857 was made Mayor and at the same time City Recorder. He took a prominent part in originating the Great Western, and London and Port Stanley Railway companies, and was a Director and Vice-President of the latter. He was also a founder and Director of the Huron & Erie Savings and Loan Society. In 1862 he was elected to the Legislative Council for the Malahide Division, and at Confederation was called to the Senate. Senator Leonard was a Liberal in politics. He died in 1891, and a brief volume of memoirs, since published by his sons, throws much interesting light upon early life and conditions in what is now the Province of Ontario.

**Philemon Wright, the "Father of the Ottawa,"** was a native of Woburn, State of Massachusetts, United States, where he was born in 1760. He emigrated to this country in the year 1800, and determined on ascending the River Ottawa in quest of a tract of land suitable for farming. With this object in view, he steadily penetrated into the country at a great expense of mental and bodily exertion, and finally located at a spot sixty miles beyond any previous settler. After many efforts and irritating delays, he obtained from the Government permission to settle upon and survey the township of Hull, in the County of Ottawa. This being accomplished, he went to work with a will characteristic of the early New England pioneers, and was in a few years rewarded for his toil and hardships by witnessing a thriving settlement growing up around him. In furtherance of his agricultural pursuits, Mr. Wright imported from

Great Britain, at much expense, some of the most approved breeds of cattle, and thereby contributed in the most efficient manner to promote the interests of the settlers in that section of the country. He was also the projector of some of the chief improvements on the Ottawa. He died at Hull on the 2nd of June, 1839, and left a numerous family. His memory is preserved in the beautiful and prosperous settlement of Hull, or, as it was sometimes called, Wrightstown, which he commenced and lived to see attain a considerable position, and which now forms practically a suburb of the Canadian capital.

**The Hon. John Macdonald, Senator of Canada,** was born in Perthshire, Scotland in 1824, and at an early age came to British America, where he was educated at Dalhousie College, Halifax, and Bay Street Academy, Toronto. After leaving school, he served two years with a firm of general merchants in Gananoque and then returned to Toronto, when he entered the mercantile house of Walter McFarlane, then doing perhaps the largest wholesale trade in Upper Canada. In 1847, he went to Jamaica in search of better health, and worked with a firm there for a year, when he came back to Toronto, and in 1849 opened a wholesale dry-goods business on his own account. Four years later, his venture having been largely successful, he removed to better quarters on Wellington Street, not far from where the modern firm of John Macdonald & Co. has for many years carried on its large importing and wholesale trade. In 1861, Mr. Macdonald was elected a member of the Legislative Assembly, and held his seat until Confederation, when he was defeated in the elections for the new House of Commons. In 1875, he was returned by acclamation to the Dominion Parliament for Centre Toronto, but was beaten in 1878 by the Conservative candidate. An Independent Liberal, he was opposed to the Confederation of the Provinces, to Commercial Union with the States, and to the National Policy. He took great interest in educational matters and for some years was a member of the Toronto University Senate and of the High School Board. A prominent Methodist, he was long a member of the Executive Committee of that Church and Treasurer of its Missionary

Society. He was twice President of the Young Men's Christian Association Conference of Ontario and Quebec, and took a pronounced interest in the work of the Evangelical Alliance, the Bible Society, the Temperance organizations, and the Toronto General Hospital—to which he gave \$40,000. In 1887, Mr. Macdonald was raised to the Senate by the advice of his political opponent, Sir John A. Macdonald. He died in 1890. His career was one which reflected credit upon the country and its commerce, and his energy and perseverance, enterprise and integrity, created not only a substantial fortune and an important business, but left a reputation which will not soon be forgotten.

**Hart Almerin Massey, President of the Massey-Harris Manufacturing Company,** was born in Northumberland County, Ontario, in 1823, and was educated amongst his relations in New York State. While a boy he exhibited keen interest in machinery of all kinds, and, after leaving school and managing for a time one of his father's farms at home in Haldimand township, he induced the latter to establish a foundry and machine shop for the manufacture of implements at Newcastle. About 1847 he assumed charge of the family property, and in 1850 became a Magistrate for the Counties of Durham and Northumberland. In 1852, while acting as a partner and manager of the business in Newcastle, he manufactured the first Canadian reapers and mowers. Three years later, upon his father's death, he became sole proprietor of the business, and continued for several years to produce new and improved machines, which soon made the name of the firm known all through the limited Canadian population of those days. In 1864 he lost \$30,000 by a fire, but this only seemed to encourage him to more energetic action. Three years later Mr. Massey made a tour through the United States and then proceeded to Paris with a number of machines which the French Government had purchased from him. In 1870 the business was incorporated into a Company with himself as President, and his son, C. A. Massey, as Manager. New and improved implements in the form of harvesters, horse-rakes, mowers, etc., were produced, and the business soon grew to immense proportions. In

1879 better facilities for shipment were required, and the Company moved to Toronto, where they absorbed several important rivals, and in 1883 did a business of over a million dollars. Since then it has steadily grown in volume and value until the Massey-Harris machines find a market all over the world, and the firm is perhaps the best known industrial concern in the Dominion. Prizes were won at the Centennial Exhibition in Philadelphia, U.S., the Antwerp International Exhibition and at many others. Mr. Massey was noted for his philanthropy in different directions, and the Massey Music Hall, in Toronto, will remain a lasting monument of his desire to provide cheap and good amusement for the public. He died in 1896. When the Massey Manufacturing Company, of Toronto, A. Harris, Son & Co., Ltd., of Brantford, and Massey & Company, Ltd., of Winnipeg, were amalgamated in 1891 it was with a joint capital of \$5,000,000. Shortly afterwards the Patterson & Bro. Company, Ltd., of Woodstock, and J. O. Wisner & Company, of Brantford, were also absorbed.

**Henry Franklin Bronson**, a pioneer manufacturer of lumber in the great Ottawa district, was born in Saratoga County, New York State, in 1817, and even during the time of his education showed keen interest in forest life from the practical business standpoint. In 1840 he entered into partnership with J. T. Harris, of Queensbury, N.Y., and this combination of capital on one side with undoubted resolution, integrity and skill on the other, lasted for twenty-two years. In 1848, Mr. Bronson made a prospecting tour for pine through Canada and was greatly impressed by the motive power of the Chaudière Falls and the unlimited supplies of timber in the Ottawa Valley. Ultimately, in 1852, he moved to Ottawa, and in the succeeding year the first mill was erected in that district for the manufacture of sawn lumber for the United States market. Others soon followed, and ere many years had passed, hundreds of millions of feet of sawn timber were being annually shipped across the boundary line. In 1864 Mr. Harris left the firm, and its chief member now is the Hon. E. H. Bronson, son of the founder, and member (1897) of the Ontario Government. Mr. Bronson died in 1889, after a

career of signal service in the development of the lumber traffic and to the material growth of the Canadian Capital.

**The Hon. John Hamilton, Senator of Canada**, was born at Queenstown, Ont., in 1801. He was the son of a Scottish gentleman, who, settling at Kingston towards the close of the eighteenth century, entered into a business partnership in 1783 with Mr. Cartwright, at that place, and subsequently removing to Queenstown, carried on a large and successful business with Mr. William



Henry Franklin Bronson.

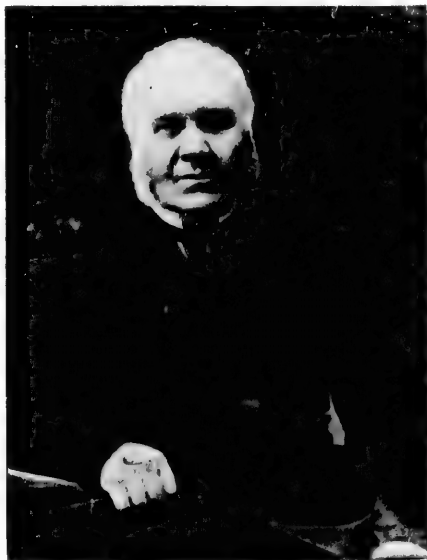
Dickson. After studying in Edinburgh, Mr. Hamilton entered the firm of Gillespie, Moffatt & Co., of Montreal, and while with them served as a Sergeant of Dragoons during the war of 1812-14. He devoted much of a long and useful life to initiating, and more or less perfecting, the lines of lake and river craft between Niagara, Toronto and Montreal. He had an interest in some of the earliest steam vessels plying on the route, which in many cases he built, owned and chartered. For a number of years he controlled most of the

steamers on Lake Ontario. In 1840, in order to give closer attention to his business, Mr. Hamilton removed to Kingston, and, after trying one or two unsuccessful experiments with steamers of special construction intended to overcome the rapids of the St. Lawrence, finally succeeded in his aim. In winter his line was by coach and wagon or sleighs from Montreal, the whole way to Toronto, and as far as Prescott this also was controlled, if not owned, by Mr. Hamilton. As time went on, canals were constructed to overcome the rapids of the St. Lawrence and more commodious steamers were built, adapted, as far as possible, equally to lake and river navigation. Mr. Hamilton then for the first time in Canadian waters introduced iron vessels; he had the *Passport*, and subsequently the *Kingston*, designed and put together in Glasgow, taken apart again, and the various pieces sent as freight to Montreal, where they were built and launched on Canadian waters. They formed, with the *Magnet*, and the *Henry Gildersleeve*, for a number of years, a prosperous through line between Toronto and Montreal. Mr. Hamilton was called to the Legislative Council of Upper Canada in 1831, and sat until the Union of 1841, when he was appointed to the Legislative Council of Canada. At Confederation, in 1867, he was summoned by Royal Proclamation to the Senate. In January, 1881, on the occasion of his completing his 50th year of service in Parliament, he was presented with an Address of congratulation by his brother Senators. In addition to his other services, Mr. Hamilton was Chairman of the Governing Board of Queen's College, Kingston, from the granting of the Royal Charter in 1840 to his death; and he was, for many years, President of the Commercial Bank. He died in 1882.

**Dileno Dexter Calvin, was born at Clarendon, Vermont State, in 1798, and died at Garden Island, Ont., in 1883.** In 1818 he went to Rodman, N.Y., where he worked for three years, and then removed to Orleans, Ont., cleared a farm and afterwards purchased 400 acres of land near there, and, with the aid of a neighbour, made square timber, rafted it at Spicer's Bay, and, in the summer of 1825, took it to Quebec, clearing \$610 by the operation. According to Mr. H. J. Morgan's invaluable Annual Register, he continued to get out

timber and raft it to Quebec until 1844, when he purchased a portion of his future home, Garden Island, and upon it established a branch of his business. In addition to his rafting and forwarding business, Mr. Calvin established a ship-yard in which many vessels and barges were built. For twenty years he held a contract with the Canadian Government for towing vessels and barges between Kingston and Montreal, the Government fixing the tariff and giving a specified bonus. Mr. Calvin was for years the owner of Garden Island, which became an incorporated village, having all the rights and privileges of a municipality. Its library is a valuable institution, and would be a credit to many a city or town. Notwithstanding his large business he was deeply interested in public affairs. In 1845, soon after becoming naturalized in Canada, he was appointed a magistrate, and was from the first Reeve of Garden Island—as such occupying a seat in the County Council. In due course he was elected to the Wardenship, and discharged its duties satisfactorily. In 1868, he was nominated by the Conservative party for the representation of the County of Frontenac in the Ontario Assembly, and from that time until the general election of 1882, excepting during a brief period, he discharged the duties of the position. He was a strong advocate of a Protective tariff years before the policy was adopted. His career as a legislator was remarkable for three things: (1) Opposition to the licensing of the timber limits; (2) opposition to the system by which the clergy were entitled to the revenue of one-seventh of the land; (3) opposition to exemptions from taxation. About 1869, the condition of navigation became serious, and the Dominion Government decided to appoint an Advisory Commission. Mr. Calvin was included in the Commission, his colleagues being Sir Hugh Allan, Colonel C. S. Gzowski, the Hon. P. Garneau (Mayor of Quebec), the Hon. S. L. Shannon, of Halifax, and Mr. A. Jardine, of St. John, N.B. In the winter of 1871-72, the Commissioners recommended, (1) the construction of a new canal across a glade of land in Nova Scotia, connecting the Gulf of St. Lawrence with the Bay of Fundy; (2) the deepening of the St. Lawrence and Welland canals. Mr. Calvin was strongly opposed to a large expenditure of money

on the St. Lawrence canals with a view to making them navigable to ocean vessels, for the reason that such vessels were not at all suitable for lake navigation, and because he thought grain could be taken to Montreal by barges much cheaper than by any other way. He was a Baptist and a strict temperance man for over fifty years, and would not allow liquor upon the island. Garden Island, under his control, became a veritable hive of industry, and a peaceful abode where distinctions between rich and poor were unknown, and where there was as near an approach to equality as can



The Hon. James Gibb Ross.

be looked for amid the complex civilization of the nineteenth century.

**The Hon. James Gibb Ross, Senator of Canada,** was born on April 18th, 1819, at Carluke, Lanarkshire, Scotland, where he also received an ordinary education. In early life he emigrated to Canada, settled in Quebec City, and was there engaged in business as a merchant and shipowner for nearly fifty years. He became one of the best known business men and most highly esteemed

citizens of the "Ancient Capital." The long and honourable career of Mr. Ross was marked by all the characteristics so necessary to obtain respect and command success in the trying pioneer days in which he made his name and fortune. In those days the difficulties of commercial life called out the best that was in men, and they who succeeded were indeed "survivals of the fittest." In politics Mr. Ross was a Conservative, and contested Quebec Centre for the House of Commons unsuccessfully in 1873 and 1878. In 1884 he was called to the Senate of Canada. He was also President of the Quebec Bank and the Lake St. John Railway Company, besides being a Director in several other concerns, including the Guarantee Company of North America. Senator Ross died in 1888, leaving a high business reputation and considerable wealth.

**The Hon. William McMaster, Senator of Canada,** was born in the County of Tyrone, Ireland, in 1811, and educated at a private school. He emigrated in 1833 and intended to settle in the States, but was persuaded by the British Consul in New York to come to Canada. In Toronto he entered a wholesale dry-goods house, became before long a partner, and in 1844 established a business of his own which entered at once into competition with Montreal—then the chief distributing point for both Upper and Lower Canada. His business expanded in the course of time to very large proportions. He was at one time or another Director of the Ontario Bank and the Bank of Montreal, President of the Freehold Loan and Savings Company, and Vice-President of the Confederation Life Association. The Canadian Bank of Commerce was largely organized through his support, and he became its first President. This position he held for more than two decades. For many years he was Chairman of the Canadian Board of the Great Western Railway, and when that section of the management was abolished he remained on the English Board. In 1862 he was elected to the Legislative Council for the Midland Division, and at Confederation was called to the Senate. He was for years a member of the Ontario Council of Public Instruction, and of the Senate of Toronto University. The McMaster

(Baptist) University, in Toronto, was founded by him, and he was Treasurer of the Upper Canada Bible Society. He died in 1887.

**The Hon. Jean Louis Beaudry, M.L.C.,** was not only an enterprising merchant in the earlier days of Montreal but one of its most prominent and popular citizens for many years. He was born in the Province of Quebec, or Lower Canada, in 1809, and was descended from a French family which migrated in 1666. For a prolonged period, and up to 1862, he was a merchant in Montreal, and for twenty years was Warden of the Trinity House. He was also President of La Banque Jacques Cartier, President of the Montreal Fire Assurance Company, and Major of the 1st Montreal Centre Reserve Militia. Mr. Beaudry was Mayor of Montreal from 1862 to 1866, from 1877 to 1879, and again in 1881, 1882, 1883 and 1884. During this remarkable series of municipal successes he rendered substantial service to the city. In earlier political life he had not been successful, being defeated in 1854—and again in 1858—when running as a Conservative for the Canadian Assembly. He was called to the Legislative Council of Quebec in 1867 and died in 1886. His career illustrates the fact that French-Canadians sometimes rival their English fellow-citizens as successful merchants.

**The Hon. James Turner, Senator of Canada,** was born in Glasgow in 1826, and at the age of twenty-one, after receiving an ordinary school education, came to Canada, where he settled at Hamilton in partnership with his brother John. Their original small wholesale grocery business soon developed under his management into one of the most extensive houses in the country. His shrewdness, energy and integrity brought reputation as well as wealth to Mr. Turner, and he became known all over the Dominion as a foremost business man. Turner, Rose & Co., of Montreal, and Turner, McKeand & Co., of Winnipeg, were firms in which he held a special partnership. As far back as 1867 he had begun business in the latter place—Fort Garry, as it then was—and in 1872 built the first brick store in Winnipeg. He was one of the founders of the Hamilton Board of Trade, and was President in 1869; was one of the organizers of the Wellington, Grey & Bruce Railway, and a Director during its construction; was President of the Hamilton and Lake Erie Railway from its inception until its amalgamation with the Hamilton and North-Western, which he was also instrumental in building; and was Vice-President of the Bank of Hamilton. A Conservative in politics, he was called to the Senate in 1884, as a representative of the business interests of Canada. He died in 1889.



Stapleton Caldecott.



## AN HISTORICAL SKETCH OF CANADIAN BANKING

BY

GEORGE HAGUE, General Manager Merchants Bank of Canada.

**T**HE history of Banking in Canada is the history of an evolution. In its present condition, Canadian banking is a growth, and like the British Constitution has been largely affected by external circumstances from time to time; and by adaptations to those circumstances in practical legislation. Not that there have been no discussions about the theory of the business, for there have been many such.

Men in Parliament who had made a study of political economy from time to time have taken part in shaping banking legislation, but it is to the credit of Canadian legislators that for several decades back, they have taken counsel with the men who have the practical handling and responsibility of the business. It has thus come about through a process partly of balancing conflicting views, and partly from the development of principles and methods in which all agreed, that a system of banking has grown up in Canada which is perfectly adapted to the wants of the country, and has proved itself so during the most trying periods of commercial depression, no matter how long protracted. Two leading lines of traditional influence may be traced, both constantly in operation, and the one derivable from the United States, the other from Great Britain. In this respect Canadian Banking is like almost everything else in Canada, whether legislative, political, religious or social, the balance of influence, however, being largely with Great Britain.

The early frame-work of our banking legislation, was almost entirely American, founded on the charters granted to American banks in the days succeeding the Revolution, and largely inspired by that eminent financier of Scotch descent, Alexander Hamilton. Many traces of this legislation survive in the Canadian Bank Act of the present day. But Canadian banking

methods, as distinct from banking legislation, have always been modelled more or less upon those of Great Britain, and especially of Scotland and Ireland. This came about most naturally from the character of the commercial people of early days, who were very largely either Scotchmen or North of Ireland men.

When the need of banking first began to be developed it was natural that these men should cast about and endeavour to establish institutions on the model of those they were familiar with. The joint-stock form of banking was the only one possible at the time, and the first banks were, of course, in Quebec and Montreal. The Quebec Bank and the Bank of Montreal both commenced business about the year 1817, and have continued their useful career without interruption to the present day. The banking business of Lower Canada was then largely employed in carrying on the export of products of the forests, which covered an immensely larger area than they do now. Nearly the whole of the vast region now forming the Province of Ontario was at that time an unbroken wilderness of woods, the only industry therein being that of the hardy lumberman, who ventured into the depths of the forests to fell the finest of the trees for the purpose of making timber. That, and the fur industry, which had its principal centre in Montreal, furnished the only ground for the export business of the country. The resources of the banks, consisting partly of their own capital, partly of the means of their depositors (very slender indeed in those days) were employed in lending money to the enterprising men who carried on these operations.

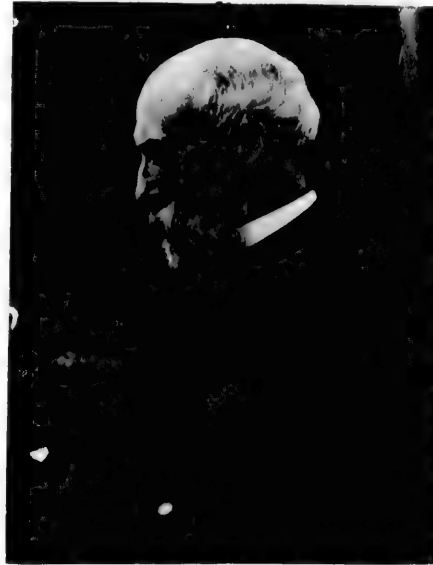
The importers of Canada gradually came to centre rather about Montreal than about Quebec. As settlement progressed in the interior regions

of Lower Canada, and along the shores of the St. Lawrence and Lake Ontario, these merchants established business relations with the traders who carried on the business of shopkeepers in the small centres of settlement, round about which the forest was gradually giving way to the beginnings of the farm. These shopkeepers supplied the wants of the settler, giving long credit—an absolute necessity in those days—and receiving in payment, almost invariably, not money, but such produce of the farm as could then be spared. The produce was shipped to Montreal in settlement of the account.

These pioneer inhabitants were, in many cases, scions of solid and respectable British houses, or junior partners therein, or young men who had been trained in Liverpool, Glasgow or London, and who brought with them the traditions and habits of unfailing industry, untiring work, steady perseverance, and indomitable energy which have made the commerce of Great Britain what it is to-day. These were the men who did business with the Bank of Montreal in those days, who drew bills on England against the products of the country shipped there, and remitted money through the Bank in payment for the goods imported thence. And it was these men who, as the country developed, assisted the traders of the still rising settlements to pay cash to the farmer for his produce, borrowing money from the Bank for the purpose, the trader in the interior being responsible to the Bank for the payment along with the merchant in Montreal. By-and-bye, however, an element of nationality began to assert itself, and purely for this reason a bank called the Bank of the People, *i.e.* the French people, and the more numerous inhabitants of the city, was established in Montreal. La Banque du Peuple, after a long, respectable and useful career, fell a victim to mismanagement and closed its doors in 1894.

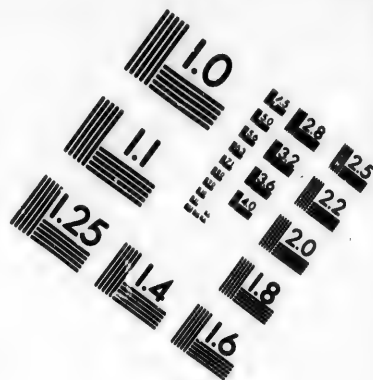
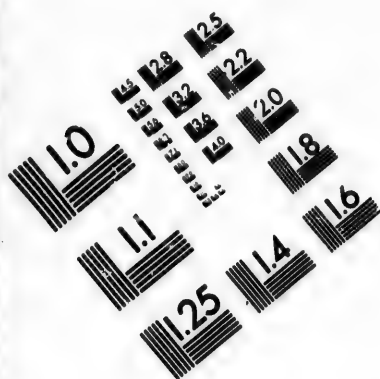
The Bank of Montreal commenced business in the year 1817. Early minute books, still preserved in the bank, afford interesting details of its first operations. At the second or third meeting of the Board, Mr. John Gray having been elected as President, the meeting took into consideration "the scale it would be proper to commence on." They determined, like cautious, prudent men,

that, "it would not be proper to commence on too extended a scale" and were of opinion that one cashier, two tellers, and one accountant would be enough. They rented premises on St. Paul Street at £150 (Halifax currency) per annum, and appointed Mr. R. Griffin as Cashier, at £300 per annum and the use of the house. Singular to say, they gave the same salary to the first teller, while the accountant had £250. The capital in 1819 was £87,500 of Canada currency, or \$350,000. The following year it was increased to £162,000, in which year it paid 8 per cent. In 1819 it paid

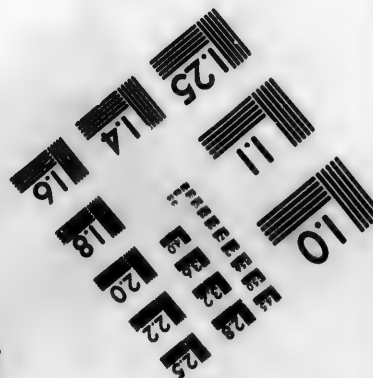
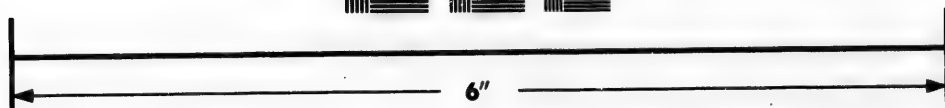
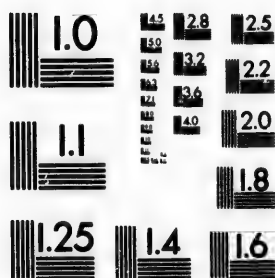


George Hague.

6 per cent., and 6½ per cent. for the next succeeding seven years. In 1826 the terrible disasters that had befallen the banking community of England in 1825 were reflected in Canada. The Bank in that year paid only 3 per cent., and lost more than half of its reserve. A very conservative policy was adopted for several years afterwards. No dividend was paid in 1827 and none in 1828. The Directors of the Bank cautiously feeling their way, and having meanwhile accumulated a reserve fund of \$100,000 paid a dividend of 2½ per cent. in



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1829. The years of trouble were not ended, however, for in the next year the dividend was wholly paid by drawing on the reserve fund. After that a succession of years of great prosperity set in. In 1832 12 per cent. was paid; in 1833, 1834, 1835, 14 per cent.; in 1836 12 per cent. From that time the dividend went on steadily—sometimes 6 per cent., sometimes 7 per cent., sometimes  $7\frac{1}{2}$  per cent., until the period when, by a series of "leaps and bounds" of unexampled magnitude, the Bank distanced all its competitors both in extent of business and profits, and distributed in dividends and bonus 16 per cent. on an enormously increased capital, besides adding immense sums to the Rest. It is a curious instance of how little the wisest can foresee events that only a year or two before this period, in the days of depression which succeeded 1857, so far-sighted a man as Mr. David Davidson, the General Manager, expressed the opinion to a friend that the Bank of Montreal would never again pay as much as 7 per cent. per annum.

The Quebec Bank had a capital of £52,000, or \$208,000, at its commencement. A singular circumstance took place with regard to its circulation. When the Bank was first established the Directors were puzzled about getting their paper issue struck off. Engraving plates had not been thought of in Canada then, and to have plates engraved in England would have been an expensive business. They consulted John Neilson, the owner and editor of the *Quebec Gazette*, afterwards the Hon. J. Neilson, Legislative Councillor.

"I can serve you," said he; "I have a great deal of old type out of use. I shall make up a note in type, every letter of which shall be different or nearly so. It will be impossible for anyone in Canada or elsewhere to imitate the note." The notes were accordingly struck off and went into circulation. There was very quiet progress during the first ten years, but the Quebec Bank, like the Bank of Montreal, suffered severely in the great revulsion of 1826-27. In 1830 its capital was \$350,000 and deposits \$260,000. In 1850 its capital was only \$400,000 with deposits of \$350,000. In 1860 its capital was \$1,000,000. In 1870 \$1,500,000, while at present it has a capital of \$2,500,000. The deposits have grown

from \$350,000 to \$4,500,000, and its little reserve fund of \$10,000 to \$500,000.

Meanwhile the development of Canada was watched with interest in England. After that development had reached a certain stage, a number of gentlemen interested in its trade—many of them connected with the Hudson's Bay Company, which was then by far the most important corporation on this Continent—came together in London and formed themselves into a banking company under the name of the Bank of British North America. Early in its career this Bank obtained a Royal Charter from the English Government.

This was in 1836. Its paid-up capital was £1,000,000 sterling, a far larger sum than any bank in Canada had at that time. It contemplated operations not only in what was then known as Canada—the present Ontario and Quebec—but over all portions of British America, and especially such as had a trade with Great Britain. In Nova Scotia, New Brunswick, Newfoundland and Lower Canada, and in due time in Upper Canada also, the Bank established its centres of business. But its Board of Directors and primary control were in London; and they have remained so ever since. Its capital, too, has remained the same. But, now, instead of being far beyond that of any other institution, it only ranks fourth in extent of capital amongst the various banking institutions of Canada. It has, however, rendered eminent service to our commerce, and has introduced a system of internal administration which has been copied with advantage by nearly all the Banks in the country. It has supplied Canada, too, with bankers of high eminence in their profession.

When Upper Canada had attained such a position that centres of population began to appear, and the little settlements in the midst of dense forests became thriving villages or prosperous towns, the Bank of Montreal established offices of its own in a few of these places. But they were, from the beginning, beset with danger, as in those early days the number of enterprising, restless, and even reckless persons was far greater than that of the opposite class. The greater care, therefore, was needed to prevent the Bank's money, or that of its depositors, from getting

into the hands of those persons, and being lost in foolish projects and hastily considered enterprises. The largest of its branches by far was in Toronto. In the early times spoken of, and when Montreal was a considerable commercial centre, Toronto was a small settlement of adventurous persons, trading generally with the Indians or farming. The little settlement grew; but for many years the man who would have prophesied that a bank could ever find business there would have been laughed at as a visionary.

From one of these early settlers, only recently deceased, I have often heard the story of what Toronto was when he was a boy. On the spots where the Bank of Toronto, the Bank of Montreal and many other Banks now stand, with magnificent streets around them, nothing but dense woods were to be seen, and nothing was heard but the shout of the Indian, or the growl of the wolf or bear. This he could remember well, and from that spot all over what is now Western Ontario, and from thence to the shores of Lake Huron, now filled with prosperous towns and villages, with centres of banking, commerce and manufactures, crossed and re-crossed in every direction by railroads, telegraphs and highways; over the whole of this immense region there were only scattered families and settlements to be found. There was not a single school in all Upper Canada then. What the country was at that time may be judged from the fact that the gentleman previously referred to, when a boy, was sent to school in Montreal. To get there he walked all the way from Toronto to Kingston, most of the way through the forest, and then took a *bateau* down the St. Lawrence to Montreal.

Toronto, however, grew apace, when it began to grow at all. By-and-bye the little town was prosperous enough to invite the attention of the Directors of the Bank of Montreal. The branch then established has continued to this day, and over the counter countless millions have passed. Toronto was then, as now, the seat of Government for Upper Canada; British soldiers were transferred there from Niagara; Government moneys were disbursed; and in time the spirit of enterprise so prevailed that it was decided to establish an independent bank with its headquarters in Toronto. A visionary project it might

well seem, but it gradually took shape. A company was formed and a charter granted by the Legislature, with the proviso that business should not be commenced until £10,000 of the money of those days, or \$40,000, was actually paid in as capital.

I heard it from the lips of one of the promoters of the movement—the Hon. Henry J. Boulton—that though the whole Province of Upper Canada was canvassed from end to end, it was found utterly impossible to raise this sum of \$40,000, and in despair, rather than let the enterprise drop, the military authorities were appealed to and the use of a portion of their funds was secured so as to make up the balance required. For this the Government took stock in the Bank. Thus, after a lapse of more than twelve months, the doors of the new institution were opened. It was called the Bank of Upper Canada, and for a long period had a prosperous career, only, however, to go down in darkness and disaster through neglect of the first elements and prime principles of banking. After a time, the people of Kingston, which is a much older place than Toronto, and at one time a place of far more importance, conceived the idea that there was sufficient business in and tributary to the place to afford the materials for an independent bank.

The Commercial Bank of the Midland District was thus projected, and in time the project was carried out. The Bank, however, did not confine itself to the Midland District, that is, the region from Belleville to Brockville. It extended and established itself in Toronto and in the rising communities of Hamilton and London, at both of which places branches of the Bank of Montreal had been established previously. In time the Commercial Bank also opened an office in Montreal, as did the Bank of Upper Canada.

Hamilton next developed into a place of considerable population, and with increased wealth and business it was early conceived that a bank might have its centre there also. This bank was called the Gore Bank, the district in which Hamilton was situated being named after the one-time Lieutenant-Governor of Upper Canada. It confined itself purely to the district of country tributary to Hamilton, never extended itself as others had done over a wide field, but after a not very

chequered career finally merged its business into that of one of our modern banking institutions—the Canadian Bank of Commerce.

For many years, amidst much political turmoil and even actual warfare, these banks pursued the even tenor of their way. Failures were unknown. Nobody dreamed of gambling in their stocks. The banks had confidence, and deserved confidence in one another. They gradually learned lessons of experience as little mishaps befell them; but these mishaps were not of such a character as to endanger their stability. The commerce of the country was handled almost wholly in Montreal or Quebec. Canadian wholesale merchants continued to be of solid and careful character. Their enterprise was of a calculated and prudent sort and the banks went on their way, granting loans, discounting bills, making remittances of money to England all in a regular, quiet and methodical manner. But a great break in the banking prosperity of Canada transpired at the time when a change took place in the fiscal policy of England, and protection (which was in England the protection of the farmer and not the manufacturer) gave way to free trade.

It was the manufacturers in England who agitated for free trade, just as they do for protection here, so different are the circumstances of the two countries. When this change took place it had a disastrous effect upon the business of Canada. A heavy fall took place in the value of breadstuffs and timber. Enormous losses were made by the holders of produce, by millers, by the merchants in Montreal, by the shipping firms, by the ship-builders of Quebec, by saw-millers, and by exporters of timber. So terrible a cloud of disaster swept over the country that it seemed as if national bankruptcy was impending. Many of the most important customers of the banks in all parts of the country were compelled to succumb, and so serious were the losses that every bank in the country, the Bank of Montreal included, saw its reserve fund (not much in those days) almost or entirely swept away.

The year 1847 was indeed a dark year in Canada, compared with which the troubles of later times are mere passing clouds. After a few years had elapsed business, however, resumed its nor-

mal position, and the banks began to recover their losses and to add to their reserves. When the great railway policy was inaugurated in 1853 and large developments took place in consequence, the business of the banks increased to such a degree that the profits realized swelled to large proportions for those days. The existing banks increased their capital and new banking projects were set on foot. Some of these proved to be of an ephemeral character, and after a few years of chequered existence disappeared entirely. The Zimmerman Bank of Clifton and the Colonial and International Banks of Toronto were of this character.

It is said, however, and it is very important in view of what follows, that for many years previously the United States had been tormented with numbers of wretched institutions, miscalled banks, having the power of issuing currency, which power they scandalously abused, and entailed such enormous losses upon the community that in the Western States men would require to pay four or five dollars in the "wild cat" notes of those regions for a glass of whiskey or a loaf of bread. Canada has often been reproached for its slowness as compared with the United States—an accusation which will not "hold water" when statistics are appealed to. But there is one thing in which we were slow in those early days—we were slow to encourage illegitimate enterprise; slow, too, to establish corporations and firms whose recklessness speedily led them to ruin.

Canadians have been in the habit of seeing their way before proceeding too far, and of being sure they were right before going ahead. And, in the end, our methods of business landed us much further on the way than the rash and ill-considered methods by which progress was, at any rate in those days, distinguished in the United States. The years 1854, 1855 and 1856 were years of magnificent harvests, immense railway expenditure, and universal and widespread inflation of business and the value of real estate. New banking projects were also set on foot at that time—some under what was called the Free Banking Act, introduced by Mr. Hamilton Merritt, of St. Catharines, and by which banks were allowed to be established under an



analogous system to that prevailing in the United States. All issues were covered by Government securities. The system, however, never took root in Canada. The few corporations established under it either gave up business or procured charters to do business in the same manner as the older Banks. The Molsons Bank, of Montreal, was one of the latter. Other banks obtained charters in the ordinary way, and some which have now a prominent position had beginnings in these days, especially the Bank of Toronto, the Ontario Bank and La Banque Nationale, all of which commenced business about the year 1856. Some years after this the Bank of Montreal became dissatisfied with the results of business in Upper Canada, and set on foot a policy of rigid curtailment. It was possible, at that time, to make immense profits by loaning money in New York, and the Bank drew its capital from the lesser to the more profitable places of employment. The business community of the Canadian West naturally became alarmed for the consequences, and began to devise means for meeting the new contingencies that had arisen. Out of the conferences that were held at that time grew the Canadian Bank of Commerce, which, having commenced business in 1867, rapidly attained a position of great importance, and in time took the place of the Bank of Upper Canada as the leading institution of the Province of Ontario. It speedily occupied the whole field of the rapidly growing community of Ontario, and extended itself to Montreal, Chicago and New York, with an agency of its own in England. This Bank has always maintained the highest credit, and has rendered great service to the commerce and manufactures of our Western Province. Not only so, but it has had the singular fortune to be indirectly the parent of three other institutions. The Dominion Bank, the Imperial Bank and the Federal Bank were all founded in Toronto by men who had been either Directors or officers of the Bank of Commerce.

In a similar manner it may be said that La Banque du Peuple was the parent of other institutions in the City of Montreal—La Banque Jacques Cartier, La Banque D'Hochelaga and La Banque Ville Marie having all taken their rise from the same financial circle. Of the banks of the Mari-

time Provinces, I may refer to the Bank of New Brunswick, the Bank of Nova Scotia, the Merchants Bank of Halifax, and others, nearly all of which have had a prosperous career and the charters of which, in the main, were similar to those of the banks in Ontario and Quebec.

The development of bank legislation in Canada is an illustration of the fact that applies to other legislation of a political character, viz.: that nearly all the theories and questions that have arisen in connection with banking anywhere in the world, and especially with the issues of currency, have been propounded, discussed and wrought out to practical conclusions in Canada. This is especially the case with that most difficult subject, the power of issuing currency, and the questions as to whom it should be vested in, with what restrictions guarded, and what security shall be required. These have been questions discussed and re-discussed in England and on the continent for nearly a hundred years back. In the United States such discussions are not yet closed, for no satisfactory solution of the great problem connected with the issue of their currency has been as yet even propounded.

In Canada during the earlier years when bank legislation was before the Legislatures of Upper and Lower Canada, it is curious to notice how the Colonial office interfered in the matter, and how jealous the British Government was of the Canadian Parliament assuming to legislate independently thereupon. The English Treasury Lords, through the Colonial Office, expressed their views more than once, and those views largely reflected the currency theories which were prevalent in England forty years ago and were embodied in Sir Robert Peel's legislation with regard to the Bank of England. It is well known that the Scotch banks and the country banks of England strenuously opposed the application of Sir Robert Peel's measures to themselves, as being unsuited to the needs of agricultural communities, and largely for the same reason opposition has been developed in Canada to the same English currency theories. These theories were attempted to be put in practice in Canada in two directions, the one policy being to require that all issues of notes by any bank should be secured by debentures of the Government; the other that there

should be no bank issues at all other than from a Government Bank of Issue, which would practically be a Department of the Government.

The banks of Canada from the beginning, however, have had the privilege of circulating their own notes, and the only "bills," as they were called in Canada, up to about thirty years ago, were the notes issued by the banks. These bills, like all other engagements of the Canadian banks, have always been payable in gold or its equivalent, and they are not only payable, but paid during every day, in the course of the exchanges or demands made by bankers upon one another. This process is called "redemption," and redemption in gold, in the judgment of all practical financiers, but not of all theorizers, is the only efficient and permanent check upon the over-issue of notes. Nothing is easier than for notes to be issued, but nothing is more difficult than to maintain constant redemption. The latter is perhaps the highest development of the modern science of banking.

The function of the banker is to ascertain with approximate accuracy what amount of bills is likely to be presented for payment at any one time. That the banks of Canada have mastered this branch of their business is evident from the fact that, compared with the hundreds of millions of notes issued, those which have ultimately failed of redemption are a mere fraction of a fraction. Even when banks have closed their doors, temporarily or permanently, their bills have generally maintained their value, or fallen only to a slight discount until finally paid. The exceptions have been insignificant. About thirty years ago, under the auspices of Mr. A. T. Galt, then Finance Minister, an attempt was made to substitute the notes of the Government of Canada for those of the banks. The matter was thoroughly discussed at the time by the press and in Parliament. The views of bankers and merchants were freely expressed upon it. Bankers, with one exception, were opposed to the Government assuming this function, and pointed out the dangers and difficulties which might arise. Amongst other things, they claimed:

I. That it was impossible to put an efficient check upon over-issues by the Government, for, with the Government, the law of necessity would

over-ride every other consideration, and, in a time of pressure, issues might be emitted beyond any requirement of law.

II. That such issues, if continued, would inevitably depreciate the value of the bills. (At the very time when this theory was propounded, the notes issued by the Government of the United States were far below par.) It was pointed out that repeated experience had shown that there was really no limit to this depreciation; that every Government circulation then circulating in the world was at a discount; that such currencies in former days, though issued by Governments which had proved perfectly stable in other respects, had fallen to such a discount as to be absolutely worthless; that the laws of finance were invariable, and that what had happened before would inevitably, when like circumstances arose, happen again.

III. That if the Government desired to borrow, it should do so in the open markets of the world, and on bonds and debentures maturing at fixed periods, the date of which was known and provision for which could be made without disturbance to the monetary condition of the country.

IV. The broad ground was taken that, though it was the undoubted function of a Government to stamp coin and to give authority to issue, the function of redemption could never be performed successfully except by bankers. For the Government as a borrower of money is in many respects like a private individual. There is no charm about the organization called a government to make it abundantly safe under all circumstances. The only thing that makes a Government loan safe, is the care, prudence and foresight with which its finances are managed, and the unflinching determination of the people to pay their debts under all circumstances. This has always distinguished Canada and is the foundation of the splendid credit she enjoys. When these are absent a government may fail (exactly as an individual may fail) to meet its obligations altogether, as the governments of several of the States of the American Union have done. Their creditors have no possible recourse against them, for there is no mode of compelling a government to pay except by going to war with it, a rather serious undertaking for private bondholders, and, of course, never attempted.

These representations, along with the very practical one, that to abolish bank circulation would necessitate an immense contraction of bank discounts and bring about an intolerable disturbance of commerce, prevailed to the extent that only a partial issue was attempted. The Bank of Montreal, for a good consideration, agreed to circulate Government bills instead of its own, and to manage in its own offices the business of redemption. After a few years, however, this bank resumed the issue of its own notes as before.

On two occasions attempts have been made by the Government to assimilate the circulation of the Canadian Banks to that of the National Banks of the United States, and compel the depositing of Government bonds as security. These attempts met with serious resistance from the majority of the banks, who contended: First, that such form of security was not necessary in Canada; Second, that to compel all issues to be covered by Government securities would necessitate such an enormous contraction of mercantile loans and discounts as would bring disaster and ruin to every interest of the country; Third, that a system of free issues maintained at a healthy level by daily redemption (under which over-issues are impossible), expanding easily when crops required to be moved and timber produced from the forest, and contracting just as naturally when these processes were accomplished, is far more suitable to a country like Canada than a system by which issues are fixed and cannot be increased; Fourth, and finally, that however suitable such a system might be when worked in connection with local banks, each a centre to itself, it would prove utterly impracticable where banks have numerous branches. This was proved by experience when an analogous system was tried on a small scale under the Free Banking Act, once introduced by Mr. Hamilton Merritt, of St. Catharines.

When pointed to the example of the United States, it was rejoined, first, that in that country the covering of notes by security had become the only practicable remedy for the unbearable evils of rotten issues. Second, that the National Banking Act was a war measure, devised mainly with reference to the stringent exigencies of war times. Third, that it had drawbacks both in

times of expansion and contraction. These drawbacks have been from time to time so seriously felt that the necessity of a change has forced itself on the attention of all American financial authorities. Our Finance Ministers have always listened courteously to the representations made by deputations of bankers, and the Government has certainly listened carefully to the voice of public opinion manifesting itself through the press and through the members of both Houses of Parliament. The Canadian banks have, therefore, been left with their free circulation under the simple proviso that they shall not issue any notes of a lower denomination than five dollars.

There have, fortunately, been very few bank failures in Canada compared with banking failures in the United States during the last seventy years. But it is well to dwell upon them for a time, as they convey lessons which other banks would find profit in taking heed to. Putting aside the breakdown of a few small and ephemeral institutions, like the Farmers' Bank of Canada, the first great failure which is to be chronicled in the country is that of the Bank of Upper Canada. This failure was a somewhat typical one, and it is well worthy of study. It arose from several causes acting concurrently.

In the first place the Bank "locked up," as it is called, a very large amount of money in advances on land, mills, factories and ships, all of which advances were contrary to sound banking rules and principles. It incautiously got its books filled with advances of this description, and made very heavy losses in consequence. There were numbers of men in Western Canada in those days engaged in enterprises for which they had had no training. While of good family, well educated and honest, they lacked, as a rule, a faculty for business. On money borrowed from the bank they engaged in shopkeeping, milling, grain dealing and a variety of other enterprises of which they knew next to nothing. In every community there are more or less of this class of persons, but the Bank of Upper Canada got far more than its share of them as customers. Their enterprises becoming unsuccessful, they could not pay their debts. Their sureties proved equally unable to fulfil their obligations, being generally liable for ten times as much as they were worth. The

ultimate loss, therefore, fell heavily on the Bank.

Then the Directors of the Bank were men who, as a rule, knew little of the extended operations of the country, either in commerce or manufactures, although of high personal character and considerable local knowledge. If the Bank had had simply the business of Toronto to deal with it would, in all probability, have gone on prospering to this day. But of a business spread all over Canada its Directors had no efficient control. It is said that on a particularly knotty question coming up at a certain board meeting, one of the Directors observed that "he knew how to sail a ship, but about banking, he must confess he knew next to nothing." Other Directors gave remarkably shrewd attention to the smaller operations of the Bank, and the little matters were sharply looked after. But this was a case, and by no means an uncommon one, where small matters received minute attention and were dealt with on common-sense principles, whilst large masses of money were risked with scarcely the shadow of consideration, and, being loaned, were left to take care of themselves. The Bank had the Government account for many years, but was utterly unable to handle it properly. On one occasion the Bank, at the instance of Government officials, but without having the Government responsible for them, cashed two bills of exchange for £100,000 sterling each, drawn by the Grand Trunk Railway officials upon London, which bills were returned dishonoured. It is no wonder that the bank failed; but its notes were all paid in full, and so were its depositors. But a large debt to the Government has never been discharged.

Another great banking failure was that of the Commercial Bank of Kingston; this Bank too, paid all its creditors in full. The Bank was ruined mainly by one large account, which from small beginnings grew to utterly unmanageable proportions, and finally brought the institution to a stand. The Bank had agreed to advance a certain sum to the Great Western Railway Company when that company was helping to build a line across the State of Michigan to connect Detroit and Milwaukee. The loan ought never to have been granted. It was small at first, and its beginning was only for a month at a time.

But railway building is a terribly exacting business. Money was wanted faster than the Great Western Railway Company in England could supply it. The Bank was asked to extend its loans month after month. The account, therefore, went on gradually mounting up and absorbing more and more of the Bank's means. From \$50,000 it increased to \$100,000, from \$100,000 to \$200,000, from \$200,000 to \$400,000. By this time the Bank became uneasy, but they were in so far that they dare not stop for fear of losing the whole of what they had advanced. They had no security whatever. The \$400,000 became \$800,000 and the \$800,000 \$1,200,000. Then the Bank stopped advancing through force of circumstances. But to their astonishment and disgust they found that the Great Western Railway Company, through its Board of Directors in England, repudiated the loan altogether, and alleged that the money was not lent to them, but to another corporation, the Detroit and Milwaukee Railway Company. This was a terrible development for the Directors and officials of the Bank. But the Great Western Railway took their stand upon it. A heavy lawsuit ensued, but the Bank was utterly unable to prove that the money really was lent to the Great Western, as the officials who signed the documents were officials of both companies. A settlement was finally arrived at involving an enormous loss. But their lawsuit advertised the position of the Bank to such disadvantage that their depositors and shareholders became alarmed and a drain set in which finally compelled the Bank to close its doors. Its obligations were paid in full, and out of its capital of \$4,000,000 \$1,350,000 was saved, the remnant of the business being purchased by the Merchants Bank, then a local institution in Montreal with no branches.

There have been since that of the Commercial Bank several other failures in Canada, not numerous indeed, and almost all of them traceable to bad and reckless management, and an entire neglect of the first principles of banking. In Montreal there were the Mechanics' Bank, the Metropolitan, the Exchange, the Consolidated Bank, and La Banque du Peuple. The last was a melancholy illustration of the fact that a bank may continue a course of conservative and prudent management

for more than half a century and be wrecked at last, as other great banks and financial institutions in England have been, by a few years of what is called enterprising management, but which ought to be designated by the names of folly and recklessness. The Central Bank in Toronto closed its career after a very short life and not a very creditable record. The Federal Bank after several vicissitudes also was compelled to close its doors and wind up its business. Its creditors were all paid in full, and the stock-holders recovered a portion of their investment. The Maritime Bank of St. John succumbed to years of pushing and ambitious enterprise—practically of recklessness and folly—and the same may be said of the Commercial Bank of Manitoba.

**The early stages of the Canadian banking** system were marked by a curious imitation of United States forms, combined with Scotch characteristics in practice. The dependence of the first settlers and, indeed, all classes, for a prolonged period, upon American newspapers and sources of intelligence was great, and naturally produced considerable imitation in such examples of successful financial operation as the first Bank of the United States furnished during its career. This institution was in turn based upon some of the principles controlling the Bank of England, and this brings the matter back to first principles and to the fact that our system in the end approximated closely in many respects to the British basis, and not the American. In 1792 an effort was made by an English firm, Phyn, Ellis & Inglis, in conjunction with two wealthy Canadian concerns, Todd, McGill & Co., and Forsyth, Richardson & Co., to organize the Canada Banking Company as a sort of national institution. The effort did not, however, prove successful. Two years later Lieutenant-Governor J. Graves Simcoe made an effort to establish a paper currency in Upper Canada of a unique but impossible character, not unlike certain United States Populist proposals of the present day. His Report to the Lords of Trade on the subject is an interesting document, and in the course of it he says incidentally that "the necessity of a paper currency, where there is

In closing this brief sketch, it should be remarked that no banking system, however perfect in the way of legislation and in internal economy, can secure any corporation from the effects of bad management. Banking is a business that has now settled down upon established principles, which principles can never be neglected without danger. But this merit may, with perfect reason, be claimed for that of Canada, viz., that it is now perfectly adapted to the wants and conditions of the country, and that the system of circulation acts almost automatically in expansion and contraction, according to the ebb and flow of business—yet with this great merit that the bills issued under it pass at par in all parts of a Dominion stretching across the continent.

not sufficient gold or silver, is most obvious; but the American Colonies having misused such a medium of commerce, and converted what might have been a general benefit into public injury, by an Act of Parliament at present binding on the Province of Upper Canada, no emission of this kind can be legally made." In 1807, another effort was made by individuals to found a bank, and a public meeting of the inhabitants of Quebec City was called on March 6th of that year. A similar meeting took place in Montreal, and petitions were duly presented to the Legislature. These were renewed in 1808, and on the 22nd of February the following petition was presented to the House of Assembly of Lower Canada:

"The commerce and agriculture of this Province labour under many inconveniences and discouragements from the quantity of specie in circulation being greatly inadequate to its necessities and increasing population; from thence enterprise and industry languish, and the natural advantages rising from a fertile soil, large and navigable rivers, and most valuable and extensive fisheries in the rivers, bays and Gulf of the St. Lawrence, remain almost dormant and unimproved.

The petitioners therefore beg leave to represent to the House that, in the present situation of the Province, nothing could have so great and immediate a tendency to advance the commerce, agriculture, wealth and prosperity of the Province as the establishment of a bank. Time and experi-

ence have incontestably proved the utility and security of banks. They have been a safe and convenient substitute for gold and silver, and have increased the industry and wealth of every country in which they have been established.

The petitioners therefore most humbly pray that they may be incorporated into a body politic, by the name of The Bank of Canada, to be established in the cities of Quebec and Montreal, with all the privileges and immunities usually granted to such corporations, and subject to such limitations and restrictions as the House in its wisdom may think best."

Mr. Shortt, of Queen's University, Kingston, in his "Early History of Canadian Banking," gives the following extract from the Report of the Committee appointed by the House to examine and deal with the subject:

"To prove the allegations of the petitions, a member informed the Committee that the balance of trade between this Province and the United States by inland navigation, being greatly against us, a constant drain of specie from this country was thereby occasioned, which can be replaced only by importations thereof from Great Britain, or by sending down sterling bills to the States and bringing back their proceeds in gold and silver coin. That the former has not yet been resorted to, excepting by Government, and is not likely to be attempted by individuals, and the latter (bringing money from the States) is attended with considerable loss, expense and great risk.

That specie is very sensibly decreasing in this Province, and some safe substitute would be greatly desirable and tend to facilitate the trade of the Province, particularly the export trade, which is often cramped by the heavy loss on bills of exchange, consequent upon the disproportion between the amount of them for sale and the circulating coin. He, therefore, was of opinion that the institution of a bank would have a tendency to remove, at least in part, the inconvenience at present felt from the scarcity of the circulating medium, and be otherwise beneficial to the Province. That such institutions have been useful in other countries, and though there might be difficulties here to encounter in a matter so new to the bulk of the inhabitants, yet that he thought it would finally surmount these difficulties, and at all events it merited fair trial."

Nothing definite was done, however. A similar agitation commenced in the Upper Province at Kingston in 1810, and a lengthy discussion ensued. But the war of 1812; the issue of Army Bills, and a consequent abundant though temporary currency; together with the destruction of the Bank of the United States by its anti-British enemies; postponed further Government or private initiative for some years. On February 8th, 1815, Mr. Austin Cuvillier introduced a resolution in the Lower Canada Assembly asking for the establishment of a bank. In the following year he presented sundry petitions to the same end, and the matter was referred to a Committee, which made an interesting Report on February 8th, 1816. The majority of opinions expressed were favourable, and a Bill was promptly presented by Mr. Cuvillier and would have been carried but for the unexpected dissolution of the House for reasons unconnected with this matter. A sudden prorogation in the following Session prevented the measure once more from passing.

In 1817, however, the second Bank of the United States was organized, and the Bank of Montreal, the Quebec Bank and the Bank of Canada came into existence in British America shortly afterwards—the first named being modelled in some respects after the American institutions. They were not chartered until 1822. Meanwhile the merchants and others in Kingston, Upper Canada, had drawn up a petition to their Legislature in the following words, and dated January 20th, 1817:

"To the Honourable House of Assembly of the Province of Upper Canada in Provincial Parliament assembled. The Memorial of the merchants and others of the Town of Kingston respectfully sheweth: That your Memorialists having taken into consideration the great utility and advantage of banks to a commercial people, which has been evinced by the number which have been established in England and in the United States of America since the Revolutionary War; and feeling the benefit which the latter derive from the ready aid afforded by their banks to carry on their establishments and improvements in their western territory, which, although of a much more recent date, is in a more flourishing state than any part of this Province, are of opinion that if found so beneficial in those countries, they cannot fail of tending to the prosperity of this Province. The want of such



an establishment was severely felt before the War, and there is hardly any doubt but that the same inconvenience will very shortly occur, whereas a well-regulated bank would obviate all these difficulties by keeping up a circulating paper to meet every public demand. Your Memorialists therefore pray that Your Honourable House will be pleased to pass an Act for their incorporation, and authorizing them to establish a bank, to be called "The Bank of Upper Canada," having a capital of £100,000, divided into 8,000 shares of \$50 each share. And your Memorialists, as in duty bound, will ever pray."

This was signed by Thomas Markland and a number of others. An Act was passed by the Legislature upon these lines, but did not become law at this time. During the succeeding year, as Mr. Shortt points out in his valuable series of pamphlets, the Bank of Montreal opened a branch in Kingston and also the Bank of Canada. In 1819 the Bank of Upper Canada was established as a private institution, with Benjamin Whitney as President and Smith Bartlett as Cashier. Various complications ensued regarding charters and in connection with the attempted establishment of the Bank of Kingston. On April 5th, 1821, the Upper Canada Assembly passed the following motion:

"1. Resolved, that it is the opinion of this House that the establishment of a Provincial Bank, under proper restrictions, would be beneficial to the country, by remedying the great want of specie, by securing to ourselves whatever advantages are to be derived from the issue of a paper currency, and by establishing a circulating medium of known security, instead of the paper of private banks, uncontrolled by any charter or Legislative provision, and, which, from being rejected by the Public Receivers, does not answer effectually all the purposes of trade.

2. Resolved, that it is the opinion of this House that a Bill should be brought in for establishing a Provincial Bank by the incorporation of such persons as shall become stockholders under the provisions of the Act; the system to be as similar as circumstances will permit to that contained in the Bill formerly passed for establishing a bank at Kingston, except that to insure its going into operation, the amount of stock and deposit, and consequently of paper to be issued, should be reduced."

Owing to a delay in connection with the granting of the Royal assent, the charter was not immediately obtained, and finally, instead of coming into the hands of the Kingston merchants and private Company, was captured by a number of Conservative leaders in York, or Toronto as it afterwards became. With the help of the Government they raised enough money to start business in 1823 at York, with the following significant list of Directors: Hon. William Allan, Hon. Joseph Wells, Dr. Strachan, Thomas Ridout, Hon. C. Widmer, Hon. John McGill, Hon. James Crooks, Hon. J. H. Dunn, Hon. H. J. Boulton, Hon. James Baby, George Munro, George Ridout, Hon. George Crookshanks and the Hon. D. Cameron. A peculiar rivalry and conflict followed between the banking interests of the eastern and western ends of the Province which terminated in the failure of the private Bank of Upper Canada at Kingston, the establishment of the York institution as practically a Government concern, and the formation, in 1832, of the Commercial Bank of the Midland District with headquarters at Kingston.

**Mr. R. M. Breckenridge, an American writer upon economics, has written a fairly complete and elaborate history of the Canadian Banking System. It was published in 1895, under the auspices of the American Economic Association and the Canadian Bankers' Association, and to this volume any condensation of historical facts connected with this important department of Canadian development must be greatly indebted. The first banks in Canada were the Bank of Montreal, the Quebec Bank, and the Bank of Canada. They were incorporated in 1822, and Mr. Breckenridge speaks of the laxity of their charters, and states that: "The shareholders were liable only for the amount of their subscriptions to the stock. There was no limit to the note issue other than the provision restricting the aggregate of debts. There was no process whereby to establish the payment in specie of the capital stock. There was nothing to prohibit loans upon the security of the bank's stock, or to prevent the capital once paid in from being loaned out bodily to the directors. The publication of frequent and periodical statements of the condition of the banks was not required, nor, except in**



the case of loans to a foreign State, did the charters enforce by any penalty the prohibitions and restrictions that were laid down."

In their general systems and functions as well as in the simplicity of the law regulating their operation, the first Canadian banks resembled the chartered banks of Scotland, and the first Bank of the United States. This was partly due to Canadian respect for British precedents in matters as yet untreated in her own law, partly to the number of Scotchmen interested in these early banks, and partly to the success of the great American institution mentioned. It is stated that amongst the one hundred and forty charter members of the Bank of Montreal there were at least ninety Scotch names, and of the eighty-nine incorporated as the Quebec Bank, no less than thirty were Scotch. The Bank of Canada did not live very long. While not defaulting in any of its obligations, it seems to have been badly managed and to have gradually lost popular confidence. By 1830 its capital stock had dwindled from £92,825 in 1824, to £3,555, and in the succeeding year its charter expired and business was discontinued.

**The Bank of Upper Canada had a somewhat stormy history.** In the political struggles of the time it cast its lot in with the Government and the "Family Compact." It had the custody of the moneys of the Provincial Treasury and was the depository of the Welland Canal Company. It was accused of dividing its patronage according to the partisan activity, rather than the business ability, of candidates for position, and of discriminating when it granted credit in favour of the dominant party. There is reason to believe that, though preferred by a partisan Committee, these charges contained some measure of truth. The shareholders of the Bank were, to a great extent, members of the Conservative party and the Bank naturally, therefore, had some influence upon legislation, and especially in the Legislative Council. But the Bank did good service in the development of the country and the management of business interests in the days when technical knowledge was scarce in the community and financial legislation more or less crude—dangerous also if it had

not been for the careful control and supervision of the Imperial authorities.

Mr. Breckenridge points out with truth that in the early days of the Province the Bank of Upper Canada was the Provincial Bank. It gave assistance "comparatively enormous to the development and commerce of the country." Land was then the single valuable security possessed by its customers in any quantity, and it was therefore necessarily more or less a land bank in disguised form, although in their ostensible character the greater number of its transactions were doubtless legally permissible. But he also states its deficiencies: "Its managers and clerks were often British immigrants who lacked the intimate knowledge of Canadians and Canadian trade that life-long familiarity would have given. In many instances, too, they failed to exhibit acquaintance with the simplest of banking principles. Discounts were freely extended to lawyers and legislators, the gentry and professions. 'Accommodation' paper was common. Loans were made to civil servants and to politicians. No one will deny that the Bank was guilty of much bad practice, that it paid high rates of dividend which it could ill afford, that it failed to write off accrued losses, that it impaired its capital by extravagant bonuses, that its internal organization was defective, and that its management was often blind, reckless and ignorant."

Still the Bank survived for many years. It was invested with the dignity, and it enjoyed the prestige, of a Government institution. Its credit was always high, its "green notes" were held in great esteem. "Quantities of notes issued twenty years before, and as bright as they came from the press, were found in due time stored away, like gold itself, in the chests of Canadian farmers. For them the Bank was as the Bank of England." A position in its service was a post of honour and consequence. Its name was a synonym of strength in popular esteem. The confidence of the public was re-inforced by their gratitude. The Bank was indeed the instrument of men of broad ideas and large purposes—ambitious, enterprising, hopeful pioneers. The good they did lived after them in a national sense, and the errors of their management were injuries of a kind that can hardly be termed permanent.

Up to 1857 the Bank of Upper Canada had grown steadily. Dividends of 6, 7, 7, 8, 8 and 7 per cent. were paid in 1852-57. The capital was increased in 1855, and a 12½ per cent. bonus paid to the old shareholders. In 1858 the capital paid in amounted to \$3,118,000. The dividend that year was 8 per cent., and the Rest was reduced only \$40,000, to meet the losses of the panic period of 1857. For a bank which had worked in the midst of the land speculation, had undoubtedly joined in it, and lost heavily when property taken as additional security fell to the lower values; this, as Mr. Breckenridge states, was utterly inadequate. Their mistake was recognized by the Directors in 1861. Thomas G. Ridout, who had been Cashier since 1822, retired, and Mr. Robert Cassels, a banker of reputation and ability, was employed at a salary of \$10,000 per annum, in the hope that he would succeed in saving the institution. In compliance with his suggestions, permission was obtained from the Legislature to reduce the paid-up stock to something over \$1,900,000, and the par value of the paid-up-shares from \$50 to \$30 (25 Vic. cap. 63). For twelve years or more the Bank had kept the Government account, and during this time it was usually a considerable debtor to the Treasury. But the debt to the Government was now fixed by an Order-in-Council of the 12th August, 1863, at \$1,150,000, and transferred to a special account. Some slight general deposits were allowed to remain, but most of the Treasury balances were, by November in that year, transferred to the Bank of Montreal, which became the Government institution.

The deep-rooted belief in the Bank entertained by the public still, however, remained strong; but after 1860 the monthly returns give unmistakable signs of retrogression on the part of the Bank itself. The general business had fallen off heavily as the old towns in which its branches were established lost their business to the centres growing up in the new industrial districts and along altered routes of trade. Another cause is to be found in the efforts of the new management to get affairs down to a solid basis. The circulation which averaged over \$2,100,000 between 1857 and 1860, fell in February, 1862, to \$1,696,000, and in August, 1865, to \$988,000. Non-interest-

bearing deposits dropped from \$1,920,000 in February, 1862, to \$640,000 in August, 1865; deposits at interest from \$2,644,000 to \$1,959,000; discounts from \$6,186,000 to \$3,231,000; but the landed or other property of the Bank rose from \$503,000 to \$1,473,000. In this last item is found the prime cause of the trouble—the collapse of 1857-58, in the real estate of Canada West. Neither in 1864 nor in 1865 were any dividends paid. The task of saving the bank had become by that time clearly impossible; some of the assets were worthless; some locked up in land. By an Act approved the 15th August, 1866, permission was granted further to reduce the capital to \$1,000,000 in fully paid-up shares of \$20 each. Before this could be acted upon, the Bank was further weakened by the withdrawal of deposits, and its stock fell to \$3.00 per share. A loan of \$100,000 obtained from the Government on special securities in the first fortnight of September was of slight avail, and on the 18th of the month the Bank of Upper Canada stopped payment.

The writer already quoted calculates that the Canadian creditors of the Bank of Upper Canada lost at least \$310,000 by the failure. "The stockholders lost the whole of a capital which was once \$3,170,000; the Government, and through it the taxpayers, lost all but \$150,000 of deposits amounting to over \$1,150,000. For proprietors and creditors combined the result of the failure was the disappearance of a principal which cannot be reckoned at less than five millions of dollars, a sum equal to 17 per cent. of the entire banking capital of the Province. Such a loss to the Canada of those days, and to Canada West, where the larger amounts were involved, was not merely severe; it was enormous."

**Political banking was not by any means** confined to one institution in the early days of Upper Canada. In 1833, according to Mr. Breckenridge, a private bank was started by two partners and taken over by a group of Reformers, and organized under a deed of settlement as the Farmers' Joint Banking Company. They began business with a paid-in capital which never rose above £50,000. But as the President and Solicitor were both elected from the dominant party, the

disappointed Reformers left the Bank, and in December, 1835, started a similar company called the Bank of the People. Twelve months after this institution opened its doors with a paid-in capital of £13,000, the Niagara Suspension Bridge Bank was established by a party of Americans. Though it kept agencies in Chippawa and in Lockport, New York, its capital was even less. Meanwhile, Captain George Truscott, R.N., and a Mr. J. C. Green, an ex-commissariat officer, the former proprietors of the Farmers' Bank, started a weak-kneed concern under the name of the Agricultural Bank.

But it was not long before the Act of 1837 (7 William IV., cap. 13) laid down the principle, which has since obtained in Canada, that it is "inconsistent with a due regard to the protection of commerce and the welfare and security of the people, that any person or number of persons, some of whom may be of doubtful solvency, should be allowed, without legislative authority, to issue their promissory notes for circulation as money." A summary stop was put to the increase of such banks by making an unauthorized note issue a misdemeanour after the 1st of July, and contracts concerning the notes null and void. Exceptions were granted in favour of the four private banks just mentioned and the Bank of British North America. It is hardly necessary to say that these private institutions had but a brief and struggling existence.

**American influence upon Canadian public** opinion was shown in early banking developments and generally with a disastrous result.

The suspension of specie payments by the banks of the United States in May, 1837, considerably affected all the Canadian institutions. The more active and pressing demand for specie in the markets of the United States immediately caused a heavy drain of specie from their vaults. Sterling exchange rose to a figure at which anything but the export of specie would have been ruinous to the remitter. According to Mr. Breckenridge, the reserves could not be augmented by imports in time to meet the extraordinary proportion of demand claims that were presented for payment. It seemed necessary to do something to save what gold they still had, and to prevent the contrac-

tion of circulation and discounts which, though essential to the maintenance of specie payments, would have been disastrous in the involved condition of the commercial community. The Lower Canadian banks therefore suspended specie payments on the 18th of May, 1837.

The Legislature of Upper Canada met in extraordinary session on the 19th of June following, to consider the financial and commercial difficulties which menaced the Province. The Lieutenant-Governor, Sir Francis Bond Head, opened the session by an eloquent speech, in which, quite



Sir Francis Bond Head.

naturally, he discussed the drain of specie suffered by the banks, and their, as yet, undoubted solvency. Sir Francis himself opposed a suspension of specie payments while the coffers of the banks were still full of coin; first, as impolitic, imperilling the confidence of the British public whose wealth the Colony needed; and secondly, as dishonourable, involving breach of faith with the public creditors. He put the alternatives squarely—fraud or honour, suspension with full or with empty specie chests, and then urged the legisla-

tors, "like Britons, to be true and just in all their dealings."

He spoke in vain. The Assembly passed a Bill authorizing the banks forthwith to suspend specie payments. As amended in important details by the Legislative Council, and finally approved on the 11th of July, the measure applied only to the chartered banks and the four private institutions. Provided the authority to suspend was first obtained from the Governor-in-Council, the banks were relieved from the legal incapacity to carry on banking operations when not redeeming notes in specie. The Lieutenant-Governor might impose conditions supplementary to the Act and call for returns. Actions brought against banks, unless to liquidate claims or otherwise to further justice, were suspended during the terms of the suspension of payments. Courts before which actions should be brought might stay proceedings on the application of the defendants and hearing of the parties. Suspension was to be optional, not compulsory, upon the banks. The expiry of the law was fixed for the end of the then next session of Parliament. During this period no suspended bank was to issue notes in excess of paid-in-capital stock, or to dispose of its specie otherwise than in paying fractional parts of a dollar, or in redeeming dollar notes.

The Commercial Bank of the Midland District was the chartered bank which first availed itself of the Act. Its suspension was authorized on the 29th of September, 1837. The Lieutenant-Governor imposed, with his permission, the condition that notes of a suspended bank should not be used in Government transactions. By this means the large military outlay, soon to occur, was prevented from being an instrument for the inflation of an inconvertible currency. The Agricultural Bank practically suspended, and in November, 1837, failed utterly, while its partners decamped, having left behind them about £20,000 of notes utterly unprovided for, and claims of depositors for over £18,000, against which but £7,000 of commercial paper could be found. The Farmers' Bank suspended for only two months at the close of 1837; the Bank of the People not at all in that year.

The Bank of Upper Canada much desired to suspend, and the cashier, Thomas G. Ridout,

rather pressed its wishes upon the Lieutenant-Governor. Worn and impatient, Sir Francis is said to have summarily closed the discussion by exclaiming, "Sir, the principle of monarchy is honour. The Bank of Upper Canada is the Government Bank. To maintain its honour the Bank must redeem in specie." And until the fifth of March, 1838, it continued so to redeem in spite of the reduction of circulation from £212,000 in May to £80,000 in December. The Gore Bank stood with the Government institution. Finally all the banks had to suspend, partly because of the financial situation in the United States, and partly from the effects of the local Rebellion and the loss of Canadian credit in Britain. In Upper Canada they resumed payments on the 1st of June, 1839, and in Lower Canada on the 1st of November. On or about the first of July, 1841, and at the commencement of the period of Union between the two Provinces and of more defined banking legislation, the condition of the existing institutions was as follows:

Banks.	Capital.	Circulation.	Total Specie.	Deposits.	Discounts.
Bank of B. N. America .....	£ 690,300	£ 50,564	£ 45,828	£ 184,809	£ 575,752
Montreal Bank....	500,000	227,048	125,175	234,686	936,553
People's, Toronto..	50,000	.....	.....	.....	.....
City Bank.....	200,000	108,572	20,378	50,700	340,391
Banque du Peuple.	115,759	58,211	8,170	25,360	183,378
Commercial Bank of Midland District.....	200,000	205,429	82,890	98,671	461,615
Bank of Upper Canada.....	200,000	142,849	55,125	144,093	406,927
Farmers' Bank....	45,122	14,350	7,867	3,079	54,281
Gore Bank.....	100,000	77,177	26,385	14,481	165,236
Quebec Bank.....	75,000	37,787	15,069	55,219	145,362
Total . . .	2,176,181	921,987	386,887	811,188	3,269,495

Meanwhile the Imperial Government became alarmed at the financial vagaries which seemed to be finding some measure of popular favour in Upper Canada; and in a despatch dated the 31st August, 1836, Lord Glenelg, His Majesty's Principal Secretary of State for the Colonies, radically altered the manner in which the Acts passed by the Legislature of that Province, with respect to banking and currency, could acquire statutory force. The Lieutenant-Governor was instructed not to permit any Act, ordinance or regulation touching the circulation of promissory notes, or the local legal tender, to come into oper-

ation in the Colony without having first received the Royal sanction, conveyed to him by the Secretary of State.

Events soon proved that Lord Glenelg's instructions were well advised. During the session of 1836-37 the banking mania in the United States seems to have thoroughly infected the Legislature and the Province. Bills were passed to increase the aggregate capital of the chartered banks in Upper Canada, with its 400,000 people, from £500,000 to £4,500,000, and to confer a power of issuing notes to the extent of £13,500,000. Nine new banks were a part of the scheme, another feature of which was to make the Province a large shareholder in the Bank of Upper Canada. The effect of the latter scheme would have been to render the Bank one of the chief departments of the local Administration. According to instructions, the Lieutenant-Governor reserved the Bills and sent them on to London. There, says Mr. Breckenridge, they met the scathing criticism they deserved.

The Imperial authorities suspended their decision for the time being and referred all the Acts back to the Colonial Legislature for more sober consideration. Before that body again met in regular session, events had somewhat calmed the banking excitement, and not a single one of the reserved Bills was re-enacted. In December, 1837, a second series of rules, drawn up by the Imperial Committee for Trade, and recommended by great experience and much careful reflection, were forwarded by Lord Glenelg, with the advice that they should be adopted by the local Legislature for its own guidance, and as terms to be insisted upon in all charters for the incorporation of banking companies. On May 4th, 1840, a series of regulations were issued under the signature of Lord John Russell, which were afterwards largely incorporated in Colonial bank charters and form the basis upon which the Canadian banking laws have since developed.

The only British North American document in which this important Circular is now to be found is the "Journal of the New Brunswick House of Assembly" in 1841. In this latter year the Legislative Assembly of the Canadas appointed a Select Committee on Banking and Currency which finally made the following recommenda-

tions—based largely upon the suggested regulations of Lord J. Russell:

"1st. The amount of capital of the company to be fixed; and the whole of such fixed amount to be subscribed for within a limited period, not greater than eighteen months from the date of the charter or the Act of incorporation.

2nd. The bank not to commence business until the whole of the capital is subscribed, and a moiety at least of the subscription paid up.

3rd. The amount of the capital to be paid up within a given time from the date of the charter or Act of incorporation, such period, unless under particular circumstances, to be not more than two years.

4th. The debts and engagements of the company, on promissory notes or otherwise, not to exceed at any time thrice the amount of the paid-up capital, with the addition of the amount of such deposits as may be made with the company's establishment by individuals, in specie or Government paper.

5th. All promissory notes of the company, whether issued from the principal establishment or from the branch banks, to bear date at the place of issue, and to be payable on demand in specie at the place of date.

6th. Suspension of specie payments on demand at any of the company's establishments, for a given number of days (not in any case exceeding sixty) within any one year, either consecutively or at intervals, to forfeit the charter.

7th. The company shall not hold shares in its own stock, nor make advances on its own shares.

8th. The company shall not advance money on security of lands, or houses, or ships, or on pledge of merchandise, nor hold lands nor houses, except for the transactions of its business; nor own ships, nor be engaged in trade except as dealers in bullion or bills of exchange; but shall confine its transactions to discounting commercial paper and negotiable securities, and other legitimate banking business.

9th. The dividends of the shareholders are to be made out of profits only, and not out of the capital of the company.

10th. The company to make and publish periodical statements of its assets and liabilities (half-yearly or yearly) showing under 'heads

specified in the annexed form the average of the amount of notes in circulation and other liabilities at the termination of each week or month, during the period to which the statement refers, and the average amount of specie or other assets that were available to meet the same. Copies of these statements are to be submitted to the Provincial Government, and the company shall be prepared, if called upon, to verify such statements by the production, as confidential documents, of the weekly or monthly balance sheets from which the same are compiled. And also to be prepared, upon requisition from the Lords Commissioners of her Majesty's Treasury, to furnish in like manner such further information respecting the state or proceedings of its banking establishment as their Lordships may see fit to call for.

11th. No by-law of the company shall be repugnant to the conditions of the charter or Act of incorporation or the statutes of the Province.

12th. The provisions of charters or Acts of incorporation should be confined as far as practicable to the special powers and privileges to be conferred on the company, and the conditions to be observed by the company, and to such general regulations relating to the nomination and power of the directors, the institution of by-laws, or other proceedings of the company, as may be necessary with a view to public convenience and security."

All through the history of Canadian banking the wise and conservative influence of British precedent and the often misrepresented control of Downing Street is to be traced, and it does not seem too much to assert that the present completeness and usefulness of the system is mainly due to the Scotch caution of the early bankers in Lower Canada, and the wisely used power of the Imperial authorities in all the Provinces.

**The Banks in Nova Scotia were neither as numerous nor as old as those of New Brunswick,** despite the fact that a bank at Halifax had been proposed in 1801, and £50,000 of the capital subscribed. But it was suggested in this connection that no other bank should be established by any future law of the Province during the continuation of the corporation named, and this monopoly

feature was probably fatal to the success of the organization. Another project for a joint stock bank was published by the Halifax Committee of Trade in February, 1811, but no action was taken in the matter by the Assembly. In 1825, however, a private bank of issue, discount and deposit was started in Halifax, the advertisement of opening upon the 3rd of September being signed by eight partners. This was the Halifax Banking Company, which in 1872 was sold out to the later chartered bank of the same name.

The Bank of Nova Scotia, the first chartered bank in the Province, was incorporated by an Act approved on the 30th of March, 1832. Its authorized stock was £100,000 in 2,000 shares of £50 each. Business might begin when £50,000 was subscribed and paid up in specie or Treasury notes. Land might be owned in fee simple to the value of £5,000. But loaning upon the bank's own stock, or upon mortgages or real estate, was prohibited. Mr. Breckenridge thus describes the institution:

"The structure of the corporation, its powers, and the restrictions upon it, were of the same general type as with the banks of the other Provinces. There is no need to describe in complete detail legislation so like that already familiar. But in (1) the stipulations for payment of capital, (2) the double liability of shareholders, (3) the minimum placed upon the denomination of bank notes issued, (4) the penalty for suspending specie payments, and in (5) the provision for winding up the bank in case the stock were badly impaired; the charter is distinctly in advance of any previously passed by other British North American Provinces, and in force in 1832. In the first three of these peculiar restrictions, the reader will unquestionably detect the influence of the suggestions made by the Committee of the Privy Council for Trade in 1830."

One reason for these improvements was the competition of the Bank of British North America, which began business in Nova Scotia in 1837 and secured the right to sue and be sued in the name of a local officer in 1838. Then there was the statute of 1834, which prohibited the issue of bank notes for sums less than £5, and thus closed to the banks the profitable and important business of circulating the one and two pound notes necessary for retail exchanges.

After a prolonged struggle with various difficul-



ties, the charter of the Bank of Nova Scotia was continued in 1847 for ten years. The form of semi-annual returns to the Government recommended by the Lords of the Treasury was adopted, and the penalty of charter forfeiture imposed for note issue in excess of the statutory limit (thrice the capital stock paid up). The charter was again extended in 1855 for a period of fifteen years, and permission also granted to increase the capital stock to £400,000. By another Act of the same session, the Legislature incorporated the Union Bank of Halifax. A few years later the Bank of Yarmouth was chartered; then the People's Bank of Halifax, the Mutual Bank of Nova Scotia, and the Commercial Bank of Windsor:

"The banking history of Nova Scotia, therefore, is not eventful. The private banks carried on all branches of banking, including note issue, in competition with the chartered banks. Their proprietors were men of wealth; they enjoyed the confidence of the community; and conducted their business according to recognized banking principles. The currency law, with its penalty for suspending specie payment, sufficed to keep the note circulation secure and within proper bounds. Down to 1873 a bank had never failed in the Province of Nova Scotia, nor had the finger of suspicion been pointed at any of them, either chartered or private. When the Province joined the Confederation five banks were acting under local charters, viz., the Bank of Nova Scotia, Bank of Yarmouth, People's Bank of Halifax, Union Bank of Halifax, Merchants' Bank of Halifax, and Exchange Bank of Yarmouth, while the charter of the Commercial Bank of Windsor was still available."

**The Monetary Institutions of Upper and Lower Canada**, as they appeared after the financial troubles of 1857-8, were dealt with at length in an elaborate and careful contribution to the Canadian Almanac of 1859. From this statement it appears that there were then in Canada fourteen chartered banks, whose united paid-up capital was \$24,050,576, and two free banks with a capital of \$240,000, making a total of \$24,290,576. Of these banks, seven had their headquarters in Upper Canada, six in Lower Canada, and one in London. The capital of these institutions were as follows:

Upper Canada Banks.....	\$ 8,617,705
Lower Canada Banks.....	10,284,038
Bank of B.N. America.....	5,388,833

\$24,290,576

The first bank established in Canada was, of course, the Bank of Montreal, which went into operation in 1817 with a paid-up capital of £87,500, which had now risen to \$5,928,820, or nearly £1,500,000 currency. The order and position of the Canadian Banks then existing is shown in the following table:

Name.	Established.	Capital.	Capital, 1859.
Bank of Montreal .....	1817	\$350,000	\$5,928,820
Quebec Bank.....	1818	300,000	934 760
Bank of Upper Canada.....	1823	41,364	3,126,250
Commercial Bank.....	1832	400,000	4,000 000
City Bank, Montreal.....	1833	200,000	1,196,448
Bank of British North America.....	1836	.....	5,388,833
Gore Bank, Hamilton.....	1836	400,000	800 000
Banque du Peuple .....	1845	453,948	1,087,610
Niagara District Bank .....	1854	200,000	934 760
Bank of the County of Elgin.....	1856	100,000	109 000
Bank of Toronto.....	1856	109,700	509,170
Provincial Bank.....	1856	100 000	140,000
Ontario Bank.....	1857	154,880	418,551
International Bank.....	1858	100,000	100,000
Colonial Bank.....	1859	112,000	112 000

3,021,893 \$24,786,202

Besides the head offices, these Banks had thirty-eight branches and fifty-four agencies; seventy-eight of which were in Upper Canada, twelve in Lower Canada, and two in the Lower Provinces. Of these the Bank of Montreal had twelve branches and eleven agencies, that of British North America nine branches and twenty-two agencies, that of Upper Canada eight branches and fifteen agencies, and the Commercial Bank eight branches and fourteen agencies.

By a clause in the Act of Incorporation of most of the Canadian banks, they were required to render monthly returns of the state of their affairs to the Government. Under the head of "Assets" were given coin and bullion, landed or other property, Government securities, promissory notes, or bills of other banks, notes and bills discounted, and other debts due, not included in the foregoing heads. Under the head of "Liabilities," there were given the capital paid up, notes in circulation, bills of exchange in circulation, balance due other banks, and cash deposits. The returns



thus periodically supplied furnished the best index to the condition of the monetary institutions, and the subjoined table compiled from these returns presents a general view of Canadian banking operations during the period between 1842-59 :

Year.	Loans.	Circulation.	Deposits.
1842.....	\$12,097,283	\$3,126,776	\$2,613,448
1843.....	11,460,976	3,352,328	3,015,836
1844.....	15,399,924	5,561,328	4,198,480
1846.....	20,205,548	6,316,116	4,614,736
1847.....	20,324,656	6,596,736	4,851,276
1848.....	17,183,384	5,142,436	3,042,264
1849.....	15,843,784	4,404,752	2,848,252
1850.....	17,499,584	5,159,724	6,070,040
1851.....	22,297,120	6,293,728	6,766,392
1854.....	38,818,656	15,043,424	12,541,944
1856.....	38,719,360	14,028,676	9,617,552
1857.....	41,420,086	12,806,251	12,035,667
1858.....	37,749,135	9,507,573	10,641,324
1859.....	39,400,012	8,971,534	12,538,471

The difference at different periods in the relative amounts of the loans, circulation and deposits which this table indicates was a subject which naturally occupied a large share of the attention of monetary writers at that time. The private Savings Banks were not compelled to publish statements of their affairs, although the law seems to have been explicit upon the point. Those that did so, described their deposits as follows in the years mentioned :

Montreal City and District.....	April 1849..	\$633,246.72
Canada Life Insurance Company, S. B.....	Oct. 1858....	119,500.25
Canada Permanent Building Society.....	Jan. 1859....	63,357.97
London Savings Bank..	Feb. 1858...	42,382.22
Toronto Savings Bank.	April 1858...	83,804.72
Quebec Province Savings Bank.....	March 1858.	455,291.00
Quebec Province Caisse D'Economie,.....	Feb. 1858...	109,000.00
		<hr/> \$1,506,582.88

Various causes combined at this period to operate against the success of savings banks in Canada. One was the failure of the Montreal Provident and Savings Bank in 1848. This institu-

tion had on its Board of Directors some of the most respectable merchants in the city, and had obtained the entire confidence of the community. It ultimately paid many of its depositors in full by conveying to them its securities, which consisted principally of real estate. Small amounts were paid in full in cash, and those who waited till the concern was wound up received 18s. 2d. in the pound. Notwithstanding these facts, the failure naturally shook public confidence in the other savings banks in the Province.

**The Montreal City and District Savings Bank** was formed with the idea of providing a bank for poor people, somewhat after the pattern of the Tottenham Bank, which was the first of the kind established in England—in 1804. Many prominent men helped the movement in the Mother Country, and in Canada it took form and shape through the active and generous labours of Mr. William Workman.

In 1841, a general Act was passed by the Legislature incorporating savings banks. Only one institution of this kind was then in existence, and it soon merged in the Bank of Montreal as a separate department of that concern. Five banks were founded under the Act of 1841. The Provident and Savings Bank of Montreal; the Montreal City and District Savings Bank; La Caisse D'Economie de Quebec; the Provident and Savings Bank of Quebec; and one in Ontario, then known as Upper Canada. The special feature in the Act was that savings banks were permitted to invest in bank stocks and mortgages. But a lack of confidence was soon manifested on account of the supposed tendency of some of the above institutions to invest too largely in such classes of security, and the establishment of the City and District Savings Bank was therefore seriously considered. In 1846 it was founded with fifteen Managing Directors, chosen from some sixty Honorary Directors. They were William Workman, Alfred LaRocque, Joseph Bourret, L. H. Holton, Francis Hincks, Damase Masson, Henry Mulholland, Pierre Beaubien, Henry Judah, Charles Wilson, Joseph Grenier, John E. Mills, Nelson Davis, John Tully, Jacob DeWitt and L. T. Drummond—all representative business men. As the institution under the Act

of 1841 was essentially of a charitable character, the then Bishop of Montreal, Monseigneur Bourget, became Patron of the Bank. The important decision was made to invest no portion of the Bank's funds in mortgages, and the prudence of this determination seems to have been demonstrated by many years of financial experience.

For the first two years the bank progressed quietly, but during the general depression of 1848 another concern, the Provident and Savings Bank of Montreal, was compelled to suspend payment, and this unfortunate event shook the confidence of the working classes to such an extent that for years they regarded similar institutions with suspicion. The amount due depositors by the City and District Savings Bank was, in 1847, \$250,702; in 1848, \$178,241; in 1849, \$153,770; in 1850, \$273,994. But from the latter date progress was rapid, and each year showed a large increase in business, excepting those of 1854, 1855 and 1857. In 1870 the amount due depositors was \$2,880,769; the number of depositors 9,362; with an average of \$307.68 for each depositor.

About this time, it began to be seen that greater security should be given depositors, and a change was effected in 1871 so that interest would be ensured whatever the profits or losses in any particular year. It was therefore determined to create sufficient stock to place the depositors in a situation of greater security both as regarded interest and principal, and the change was made by a Board of Directors constituted as follows: Hon. L. H. Holton, William Workman, A. M. DeLisle, Edwin Atwater, Mr. Justice J. A. Berthelot, Henry Judah, A. LaRocque, Henry Mulholland, Henry Starnes, and Edward Murphy. The capital stock of the bank was fixed by charter at \$2,000,000, and it was stipulated that the books of the bank should be balanced, and whatever profits existed at the time were to form a poor fund to be invested in Municipal or Government debentures approved by the Government, the interest to be distributed among the various charitable institutions of the city. This, of course, was applicable to all savings banks, as were other regulations prohibiting savings banks from investing funds in mortgages or securities other than Municipal debentures and Government securities; providing for the acceptance of bank

stocks as collateral, and that twenty per cent. of the total amount deposited should consist of Federal Government securities or cash in chartered banks, etc. Of the then existing savings banks, two, the City and District, with two millions subscribed and \$600,000 paid up, and La Caisse D'Economie, with one million subscribed and \$250,000 paid up, elected to continue their business and subscribe the stock; paying it up according to the requirements of the Act.

The accumulated profits of the City and District, when the stock was subscribed, amounted to \$180,000, which constituted the Poor Fund. Besides this sum, the bank had previously paid to charities of the city during several years, \$80,715. The interest of the Poor Fund, amounting to \$10,800, is still paid to various charitable institutions according to population, and a new distribution is made after each decennial census. The institution has since been converted from a purely benevolent institution into a joint stock concern. Twice in its history "runs" have taken place, but the management has been equal to all emergencies, and has met all drains without having to pledge any of the Bank's securities or to call in any of its loans.

The Annual Report for 1896 showed \$9,573,130 due depositors; \$3,602,360 invested in Dominion Government stock and Montreal and other City or Provincial Government debentures; \$5,102,258 of loans secured by collaterals; and \$1,513,067 of cash on hand and in chartered banks. The Directors elected for 1897 were the Hon. Sir W. H. Hingston, M.D., President; R. Bellemare, Vice-President; and the Hon. James O'Brien, Hon. J. A. Ouimet, E. J. Barbeau, F. T. Judah, Q.C., Hon. J. A. Chapleau, Lieutenant-Governor of Quebec, Michael Burke, Robert Mackay. The first Manager of the institution was Mr. John Collins, who left the bank in 1850. He was immediately succeeded by Mr. Edmund J. Barbeau, who, entering the bank in 1850, retired in 1880, after thirty years' faithful service, and was succeeded by his brother, Mr. Henri Barbeau, the present (1897) Manager.

**The first Bank in New Brunswick** was established by an Act of the local Legislature under the name of the Bank of New Brunswick.

It received the Royal assent on 25th of March, 1820. As expressed in the preamble of the Act, it was the opinion of the House of Assembly that "the establishment of a bank in the city of St. John will promote the interests of the Province by increasing the means of circulation." (60 George III. cap. 13, N.B.) The capital stock was limited to £50,000 and the payment of the whole was required within eighteen months. In 1821 the stock limit was reduced to £30,000 and four years later raised again to £50,000 on "account of the increase of the trade of the Province."

The President, Directors and Company of the Charlotte County Bank, to be located at St. Andrews, were incorporated in 1825, with a capital stock of £15,000, all to paid up within a year and a half. (2 Geo. IV. cap. 20). Both these banks were smaller than those established in Montreal, Quebec, and York about the same time, and it is manifest that they were intended to be only local affairs. The New Brunswick charters were different in only a few essential respects from those passed in Upper and Lower Canada. The limitation upon the total debts which might be owed by the former corporations was more strict, being twice the amount of their paid-in capital stock, and the term of their charters was twenty years. In 1834 the Central Bank of New Brunswick was incorporated, and provision was made for establishing it at Fredericton. (4 Wm. IV. cap. 44.) The Act of incorporation contained a number of new provisions similar to those recommended by the Committee for Trade of His Majesty's Privy Council in 1830 and 1833.

In 1834 the Commercial Bank of New Brunswick was incorporated by Letters Patent. The charter of the St. Stephen's Bank, passed in 1836 (6 Wm. IV. cap. 32) created a corporation capitalized for £25,000 and subjected to provisions similar to those already described. It added the rules that no stock-holder should own more than twenty per cent. of the capital stock, and that "no action should be brought or maintained upon any bank bill or bank note issued by the corporation before such bill or note shall have been presented at the bank for payment and default in payment thereupon take place." The City Bank was incorporated in the same year. Its location was to be St. John, and its capital was £100,000, half to

be paid in one year, and half within five years. But it had a very brief existence. The Bank of New Brunswick received permission to double its capital in 1837, and by an Act of two years later the City Bank was united with it.

In 1837 the local Legislature granted the Bank of British North America powers to sue and be sued in the name of a local officer, and facilitated its business in other ways. Later on, between 1841 and 1866, various additions to the capital stock of the four existing banks were permitted, and their charters extended to dates between 1870 and 1876. The Shediac Bank was incorporated in 1857, the Miramichi Bank in 1857, and the People's Bank of New Brunswick in 1864. The Miramichi Bank was proposed for Chatham, N.B., and the authorized capital was £20,000. The People's Bank was established at Fredericton with a capital stock of \$60,000. These and many other details may be found in Mr. Breckenridge's work. He states that some years prior to 1865, the Charlotte County Bank ceased its operations and business, and paid off, so far as they had been presented, all claims upon it. In the year named it was authorized, after newspaper notice for twenty-four months, to wind up its affairs, and divide the assets remaining among the shareholders, the further liability of whom for the debts of the bank was thereupon to cease and determine. A similar Act was passed in 1868 with respect to the Central Bank of New Brunswick. In the sessions of 1865 and 1867, the establishment of a number of new corporations was also authorized—the Albert Bank, the Woodstock Bank, the Northern Bank, the Merchants' Bank of New Brunswick and the Eastern Bank of New Brunswick. To none of them, however, was the necessary capital paid up, and they were therefore as unsuccessful as the Miramichi and Shediac Banks of the preceding decade. At the time that New Brunswick entered Confederation the Bank of New Brunswick, the Commercial Bank of New Brunswick, the St. Stephen's Bank and the People's Bank were in operation, the Westmoreland Bank in liquidation, and the five other charters just named still available.

Upon the day that Confederation became a fact in 1867 there were eighteen banks carrying on business in Ontario and Quebec, under char-

ters granted by the Province of Canada, five working under Nova Scotia charters, and four under Acts passed by New Brunswick. The Bank of British North America acted under special Royal Charter. They were as follows :

Ontario and Quebec.		Capital paid up.
Bank of Montreal.....	\$6,000,000	
Quebec Bank.....	1,476,250	
Commercial Bank of Canada.....	4,000,000	
City Bank.....	1,200,000	
Gore Bank.....	809,280	
Bank of British North America.....	4,866,666	
Banque du Peuple.....	1,600,000	
Niagara District Bank.....	279,376	
Molsons Bank .....	1,000,000	
Bank of Toronto.....	800,000	
Ontario Bank....	1,999,100	
Eastern Townships Bank.....	375,386	
Banque Nationale.....	1,000,000	
Banque Jacques Cartier.....	953,135	
Merchants' Bank of Canada.....	941,182	
Royal Canadian Bank.....	806,626	
Union Bank of Lower Canada.....	748,865	
Mechanics' Bank.....	227,725	
Bank of Commerce.....	384,181	
		<hr/>
		\$29,467,772
Nova Scotia.		
Bank of Yarmouth.....	128,600	
Merchants' Bank of Halifax .....	64,000	
People's Bank of Halifax .....	399,789	
Union Bank of Halifax.....	400,000	
Bank of Nova Scotia.....	560,000	
		<hr/>
		\$1,552,389
New Brunswick.		
Bank of New Brunswick.....	600,000	
Commercial Bank of New Brunswick.	600,000	
St. Stephen's Bank.....	200,000	
People's Bank of New Brunswick .....	80,000	
		<hr/>
		\$1,480,000

The considerations submitted by leading bankers in 1869 to the Canadian Committee on Banking and Currency, of which Hon. John Rose was Chairman, and published in the final Report of that Committee on May 10th—Journals House of Commons, Volume 2, 1869—are of importance. Mr. Thomas Paton, General Manager of the Bank of British North America at Montreal, pre-

sented the following review of the system which it was proposed to adapt to the exigencies of the new Dominion.

"The system of banking which exists in the late Province of Canada is that of Local Joint Stock Banks, having Provincial Charters which expire in 1870-71, with paid-up capital ranging from \$266,445 to \$6,000,000, the shareholders being liable for double the amount of their subscribed shares; and the Bank of British North America, also a joint stock bank, with a capital of £1,000,000 sterling, but having a Royal Charter under which the shareholders are only liable for the amount of their shares. The shareholders of the People's Bank are also exempt from the double liability clause, but the responsibility of the Directors of that institution is unlimited.

The banks have the privilege of issuing notes of one dollar and upwards, the total amount of their circulation being limited to the paid-up capital of the bank, together with the gold and silver coin, bullion, Government debentures, and legal tenders on hand, the aggregate amount of their debts being also limited to three times their paid-up capital, in addition to the amount of specie, legal tenders and Government securities held. The banks are authorized to transact all the business usually transacted by bankers, such as discounting bills, dealing in gold and silver and exchange, etc. They are required to furnish monthly statements to Government for publication in the Gazette; to hold ten per cent. of their subscribed stock in Provincial bonds; and to pay a tax of one per cent. on the excess of their circulation beyond the amount of specie, legal tenders and Government securities held.

The banking system of New Brunswick and Nova Scotia differs but little from that of Canada. With the exception of two private banks in Nova Scotia, they are all chartered by the Provincial Government on the Joint Stock System; their charters expire from 1871 to 1890, and their paid-up capitals range from \$50,000 to \$60,000. They do not require to hold any Government bonds, nor to publish any statement of their affairs except an annual one, which is sent to the proprietors and to the Lieutenant-Governor. The banks in Nova Scotia are not allowed to issue notes under the denomination of \$20. The Bank

of British North America is empowered by its Royal Charter to carry on business in British North America and parts adjacent thereto, and it has branches in the Provinces of Ontario, Quebec, Nova Scotia, New Brunswick and British Columbia, with agencies in New York and San Francisco. Its privileges are similar to those of the other Banks of the Dominion except that by its charter it cannot issue notes under \$4. Under the Free Banking Act of the late Province of Canada, however, the Bank issues \$1 and \$2 notes, secured by a deposit of Provincial debentures, the notes being endorsed by the Registrar of the Province. By its Imperial Charter it is required to send statements to the Provincial Government similar to those furnished by the local banks. It is not required to hold Provincial debentures, except to secure its small note circulation; however, it has, for many years, held a much larger amount of these securities than is necessary for any of the local banks to hold. The above is a short statement of the present system of banking in the Dominion, and, in my opinion, is open to but few objections.

I consider, however, that the circulation should be secured by Provincial debentures lodged with the Government, and that the number of banks, or agencies which a bank is permitted to establish, should be limited, and in proportion to its paid-up capital. The amount of the cash reserves as compared with the liabilities is not regulated by the present charters, which has a tendency to induce dangerous and imprudent expansion. This should be remedied, and the statements furnished to Government might be more in detail. The banking system of the Dominion has certainly been conducive to the development of the material interests of the country. The failure of two of the largest banking institutions of the Province (Bank of Upper Canada and Commercial Bank), and the evils which have resulted therefrom, ought not to be attributed to the system under which the banks were organized, but to a disregard of the correct and legitimate principles which ought to govern the management of all banking institutions, and which, if disregarded, will surely result in misfortune and disaster, however perfect the system may be." Mr. Rose's ensuing proposals were not accepted.

The following is a statement of the business of Canadian banking institutions during the first year of Confederation:

Name.	No of branches.	Value of each share.	Amount called up.	Dividend for last six months.	Price of shares Oct., 1867.
Commercial Bank.....	18	\$100	\$100	3 per cent	50 per cent
Gore Bank.....	6	40	....	3½ "	92 "
Niagara District Bank.	1	100	70	3½ "	90 "
Bank of Toronto.....	5	100	100	4 "	116 "
Ontario Bank.....	12	40	40	4 "	105 "
Royal Canadian Bank.	20	50	50	4 "	99 "
Bank of Commerce....	3	50	10	....	103½ "
Bank of Montreal....	29	200	200	5 "	134 "
Quebec Bank.....	5	100	100	3½ "	102 "
City Bank.....	3	80	80	4 "	105 "
Bank of B.N. America.	12	£50	£50	4 "	106 "
Banque du Peuple....	None	\$50	\$50	4 "	107 "
Molsons Bank.....	None	50	50	4 "	110 "
Eastern Townships B'k.	3	50	50	4 "	98 "
Banque Nationale....	None	50	50	4 "	107 "
Banque Jacques Cartier.	None	100	100	4 "	109 "
Merchants' Bank.....	None	100	50	4 "	108 "
Union Bank of Lower Canada.....	1	100	100	4 "	102 "
Mechanics' Bank....	None	50	15	4 "	100 "
Bank of New Brunswick.....	None	200	200	6 "	132 "
St. Stephen's Bank...	None	100	100	4 "	100 "
Bank of Nova Scotia...	2	100	200	3½ "	120 "
Union Bank of Halifax.	None	100	40	3½ "	262 "
People's Bank of Halifax.....	None	20	17	3 "	100 "
Bank of Yarmouth, N.S.	None	100	60	3 "	105 "
Commercial Bank of Windsor, N.S.....	None	40	10	New	100 "

Mr. George Hague, then Cashier of the Bank of Toronto, wrote the following comments upon the banking system in force before and immediately after Confederation (Report of the Parliamentary Committee on Banking and Currency, 1869):

"The Banking System of the late Province of Canada is based on the only sound principle on which banking should be carried on, viz., the obligation to pay all liabilities in gold, and the systematic enforcement of this obligation by a regular system of exchange between the banks. Without the last the first amounts, to little more than a theory; with it the immense advantage is gained of a practical test of convertibility. In spite of violations of sound rules in many of the discounting operations of banks during former years, violations which, in the case of one institution, were of the most flagrant character, and

continued for a long period, the excellence of the system has been such that the loss sustained by the public has been of a very trifling character.

It has given to Canada a currency uniform in value over a widely extended territory, independent of political fluctuations, and constantly redeemable in specie. It has also rendered the small amount of active capital possessed in a partially developed country available to the utmost extent possible. No person acquainted with Canada can doubt that its banking system has been conducive to its material interests in a very high degree, and it is the opinion of many who are conversant with the matter, that no other system would have been equally beneficial."

Regarding the questions connected with the issue of bank notes, their redemption and general usefulness, Mr. Hague dealt at length. As the Canadian system has only been improved and not changed in its foundation features since that time, his remarks are of present as well as historical value—the Dominion notes afterwards issued being limited by law and confined to small or very large denominations :

"(1) There is a tendency in Government currencies, which may almost be termed irresistible to become irredeemable and depreciated. It is a fact that no Government currency yet issued, with some trifling exceptions, has preserved its value, and some of the largest emissions of such currency ever known have fallen to ruinous rates of discount. The uniformity of the result shows the strength of the tendency, and it is, in my opinion, impossible to devise any restrictions which will prevent its operation.

(2) The function of issuing and redeeming notes payable on demand is so intimately connected with commercial operations, both inland and foreign, that none but persons who have close and constant relations with the active commercial world can properly manage it. The business of circulation, in fact, is the business of the banker, and such it has ever been in the Mother Country, the centre of the finances of the world, and such also it has long been in France, whose experience of the disastrous effects of a Government currency has been such as to deter it from ever repeating the experiment.

(3) If the Government has it in its power to emit

paper money, and such paper money becomes a recognized instrument of currency, the temptation to extravagant expenditure will be irresistible. Experience shows that the expenditure of a Government is the most difficult of all disbursements to be kept within reasonable bounds, even when there is such a strong restraint as the necessity to raise money by taxation or loans. If this restraint were removed, there can be no question that expenditure would become ruinously large, and the issues of money far beyond legitimate requirements. The currency would, of course, fall to a discount, and the credit of the country be damaged in the money market of the world. I am not aware of any advantages which would arise from a Government currency, except the facility which it would afford for borrowing and the saving of interest on whatever amount of notes might be kept afloat. It is needless to add that this very facility would be the source of the greatest danger. As to the superior safety of Government notes, all experience proves that this is a mere delusion. There is no security against such notes becoming so depreciated in value as to be practically worthless. Under a proper system of redemption, such as Canada has long possessed, a banker is bound to redeem his notes under penalty of closing his doors. The Government has no such penalty to fear, nor can any pressure be brought to bear upon its own constituents, which will deter it from over issues and their consequences.

The conditions under which banks may issue their own notes based on Government securities are fundamentally different from the above, and, as between the two systems, there can be no question that the latter is to be preferred. The principal advantage it offers is, that the currency issued under its provisions has a preferential claim to the securities deposited to cover it. To the Government it secures a demand for its debentures on the part of the banks. The disadvantages of such a system, speaking of it simply as a theory, are that it compels a bank to lend to the Government to the full amount of the notes it may be required to issue. This prevents the capital and credit of the bank being availed of to meet the requirements of commerce to the extent which these loans may amount to.



It should be remembered also that Government securities are liable to heavy fluctuations from political causes; and to compel bankers to invest such large sums in this shape is to subject them to a disadvantage which might, under certain contingencies, be fatal; and this without any corresponding return. If the case of the Bank of England is cited in this connection, it should be remembered that this bank has always had the immense advantage of the Government account. Further, it is questionable whether even this currency would be brought within the operations of a regular redemption, such as has long existed in Canada, and which is the essential feature and safeguard of our system. The National Bank notes of the United States are never redeemed, and schemes for making them redeemable have hitherto proved impracticable.

In considering the question it should never be forgotten that these banks have at no time been worked on the basis of specie payments. In my opinion, speaking as a practical banker, until a system has been subjected to this test it is impossible to judge of its merits. In this opinion I am confirmed by eminent financial authorities in New York. As to the effect of such a system in any country in which it prevails, I am not aware that it does prevail in any country but the United States. That country in past years has been afflicted with banking systems and currencies of a most heterogeneous character, many of them pernicious and unsound to the last degree. Enormous losses have been suffered in consequence, especially in the Western States, and almost any change would have been welcomed which rid the country of such dangerous pests. The National system is undoubtedly a change for the better, but it is needless to add that Canada never suffered from those evils which rendered the change desirable. The currency system of Great Britain is of a mixed character."

**The views of the Hon. R. D. Wilmot, one of New Brunswick's most distinguished and respected public men, differed from those of the majority who shared in this Banking and Currency Report of 1869. The following quotation is therefore of some value:**

"The Banking System prevailing in the late

Provinces of Canada and in New Brunswick has been similar. In Nova Scotia (as in England) the banks are restricted from issuing notes of a smaller denomination than Five Pounds (\$20); the circulation below that consists of Provincial notes to the extent of about \$2.00 per head of the population. That this circulation has not been injurious to the Banks is proved by the fact that no bank has ever failed; nor any lower dividend been declared than at the rate of six per cent., usually much more; while in the other Provinces disastrous failures have occasionally occurred, causing loss to the stockholders and note-holders and inconvenience to the public at large. Doubtless the existing bank system has been conducive to the development of the material resources of the country, but being too much dependent upon credit and the state of the foreign trade, has, when the foreign exchanges have been adverse, intensified the periodical revulsions in business, which have been so disastrous to individuals and of great inconvenience to the trading community.

The anxiety of the Banks to command foreign Bills of Exchange has caused them to give an unhealthy stimulus to the creation of articles of foreign import, while they do not grant the necessary facilities for the domestic trade of the country. Statistical returns show that the invested and floating capital of the Dominion exceeds fourteen hundred millions of dollars (\$1,400,000,000); the annual value of the raw products is two hundred and ten millions of dollars (\$210,000,000); and that of manufactures and other products amount to, doubtless, over one hundred million of dollars more; yet the utmost extent of bank note circulation has not exceeded fourteen millions of dollars (\$14,000,000), or only one per cent. of the capital—an amount quite inadequate to exchange advantageously the annual products of industry. Money is but a representative of value, an instrument of exchange, or in other words, a more condensed, economical and convenient form of barter; and unless the quantity in circulation bears a fair proportion to the articles of merchandise to be vendued they must be sold at prices which may not be remunerative in money, or upon credit, creating debt unnecessarily with all its accompanying uncertainties and



dangers—the great cause of all the financial panics and convulsions of trade.

As the foreign trade of the Dominion bears but a small proportion to the value of the domestic trade, and as the bank-note circulation depends so entirely upon the state of the foreign trade, an importation of a few millions beyond the value of the exports causes such a demand upon the banks for Bills of Exchange, and in their absence for specie, that they must necessarily curtail their discounts, restrict their note circulation and make money scarce, reducing values 10, 20 or 30 per cent. I am, therefore, of opinion that the present Banking System does not afford the facilities necessary for the most beneficial development of the industrial resources of the Dominion."

**The Bank of British North America** has always been upon a somewhat different footing from the other Canadian banks. It worked under special Royal Charter instead of a local one, and took advantage of the old-time Free Banking Act to obtain the right of issuing small notes. The head of the institution is not a President as in other banks, but a Chairman, who takes the position in monthly rotation from amongst the Directors in London, England. In early days the agencies in British America were controlled by an executive officer, who only visited them occasionally. Mr. Thomas Paton, the first General Manager, held this position of Inspector prior to his appointment. His successors in the former post included Mr. Charles McNab, Mr. R. R. Grindley and the present incumbent, Mr. Harry Stikeman. In 1848 its branches were twelve in number and have since increased to seventeen. Mr. Paton, in 1869, furnished the following excellent summary of the history and position of the Bank to the Committee on Banking and Currency, (Journals, House of Commons, Volume 2, 1869):

"In transmitting my replies to the questions of the Select Committee on Banking and Currency, I avail myself of the opportunity of placing before the Committee the position of the Bank of British North America, which differs in some respects from that of the other banks in Canada, and the Royal Charter of which expires in 1870. The Bank was established in 1836, with a nominal capital of £1,000,000 sterling, by merchants and

others in London deeply interested in the commerce and prosperity of the North American Colonies, and desirous of introducing British capital for their further development. In the years 1836 to 1840, £690,000 sterling was paid up and employed in legitimate banking business at the branches which were then opened in the Provinces of Upper and Lower Canada, New Brunswick, Nova Scotia and Newfoundland. During these years the business of the Bank was conducted under an Act of the Imperial Parliament, which authorized it to sue and be sued in the name of an officer in England, and similar Acts of the Legislatures of the several Provinces in which branches were situated were obtained. But considerable practical inconvenience having been experienced in conducting the Bank's affairs under so many different statutes, which, although like in substance, contained conflicting conditions, the Directors applied, in 1840, to Her Majesty's Government for a Royal Charter of Corporation, extending over the United Kingdom and all the North American Colonies, which was granted (it was understood) after communication with the Colonial Governments.

During the discussion as to conditions on which a charter should be granted to this Bank, it appeared to be the opinion of Her Majesty's Government that a large paid-up capital afforded a better security to the public than the clause of double liability introduced into the charters of the local or Colonial banks, and the Directors were required to call up the remainder of the capital of £1,000,000 sterling, as a consideration for the grant of a charter of incorporation, whereby the shareholders are relieved from personal liability after payment of the full amount of their shares. This charter was renewed in 1859 with the consent of the several Colonial Governments, and it will expire on the 1st June, 1870. The dividends and bonuses together, received by the shareholders of the Bank, have not exceeded nine per cent. in any one year, and the average for the whole thirty-two years has been only £5 13s. 9d. per cent. A large portion of the present Proprietary having acquired their shares since the granting of the original charter will not be willing to increase their liability for the sake of so small a return on their capital as they have received, which

is very much below that of any well-conducted bank in London, and also much lower than could reasonably be expected from the employment of capital in distant colonies or foreign countries, and there is consequently almost a certainty that the shareholders, most of whom reside in England, will prefer the affairs of the Bank to be wound up, and their capital returned to them, or to be employed elsewhere, rather than incur any additional liability.

Since the establishment of the Bank its business has been conducted in accordance with sound principles of banking, and it is claimed that it has aided in improving the system of banking in this country, and has always maintained the most amicable relations with the other banks in the Province. A large staff of experienced officers has been selected and from time to time recruited from banks in Britain, and many local banks have marked their approval of the manner in which the business of the bank is conducted, and their desire to introduce its system of banking and management into their respective institutions, by choosing as their principal officers officials from the Bank of British North America. At present eleven of the chief offices in those banks are thus filled. The Bank, since its establishment, has enjoyed entire public confidence, not only in the Dominion but abroad. It introduced into the North American Provinces a large amount of capital at a time when the banking capital of these Provinces was comparatively limited, and has assisted in no slight measure in developing the resources and aiding the advancement of the country."

Under the subsequent arrangements and the new Dominion banking system the Bank of British North America retained its old time privileges and rights. In the Bank Act of 1890, the clauses respecting capital are made non-applicable to this institution, and by section 51 it is also debarred from issuing notes beyond 75 per cent. of its capital, excepting against a deposit of Government bonds.

It is stated on good authority that the exemption from the double liability, or from any liability beyond the amount paid up, was granted at the time of incorporation on account of much of its capital of £1,000,000 sterling being at once

forthcoming in gold and transmitted to the British American Colonies at a very critical period in their financial history. Mr. E. Stanger, Manager of the Toronto Branch of the Bank (1897) has stated that this action was always greatly appreciated by the late Sir George E. Cartier, who believed that the country was saved, as a consequence, from severe financial embarrassment. The Reserve Fund of the institution is £275,000 or \$1,375,000, while its capital remains at one million pounds sterling. Its Directors for 1897 were Messrs. J. H. Brodie, J. J. Cater, Gaspard Farrer, H. R. Farrer, R. H. Glyn, E. A. Hoare, H. J. B. Kendall, J. T. Kingsford, Frederick Lubbock and George D. Whatman. The Secretary of the Bank in London was Mr. A. G. Wallis.

**The Hon. Sir Francis Hincks** was born at Cork, Ireland, in 1807, and was educated at the Belfast Institution. In May, 1823, he was articulated by his own expressed wish to the mercantile firm of John Martin & Co., and with them he remained until 1830, when he sailed to the West Indies as supercargo on board one of their vessels. At Barbadoes he met a Canadian whom he accompanied to Toronto, in Upper Canada, with a view to obtaining information concerning business and commerce in that Colony. During the succeeding year he came out with his wife and settled in Toronto, where he soon won a high reputation in business circles and a prominent place in political affairs. He was for a time Secretary of the Mutual Insurance Company and Cashier of a new banking institution. But after the Rebellion of 1837 he turned his attention to journalism, and in 1839 founded the *Toronto Examiner*, which he edited for several years, and in 1842 the *Montreal Pilot*, which he also directed. Mr. Hincks was first elected to the Legislature in 1841 for the County of Oxford, and was shortly afterwards appointed Inspector-General of the Canadas—as the Finance Minister was then called. He resigned in 1843 and was defeated in Oxford in 1844, but was returned again four years afterwards, and became Inspector-General once more under Mr. Robert Baldwin. Upon the latter's retirement in 1851 he also became Prime Minister, and held the two posts until 1854.

He visited Washington on several occasions in order to confer with the British Minister there regarding the commercial intercourse between the two countries, and in 1854 was selected by Lord Elgin to accompany and help him in the negotiation of the afterwards famous Reciprocity Treaty of that year. In 1852 he had been a Delegate to the Maritime Provinces upon the Intercolonial Railway question, and in the same year went to London to urge the repeal of the Clergy Reserves Act and the grant of a guarantee to the Intercolonial. There he made the arrangements with the Peto, Brassey, Betts and Jackson Company, which ultimately resulted in the construction of the Grand Trunk Railway.

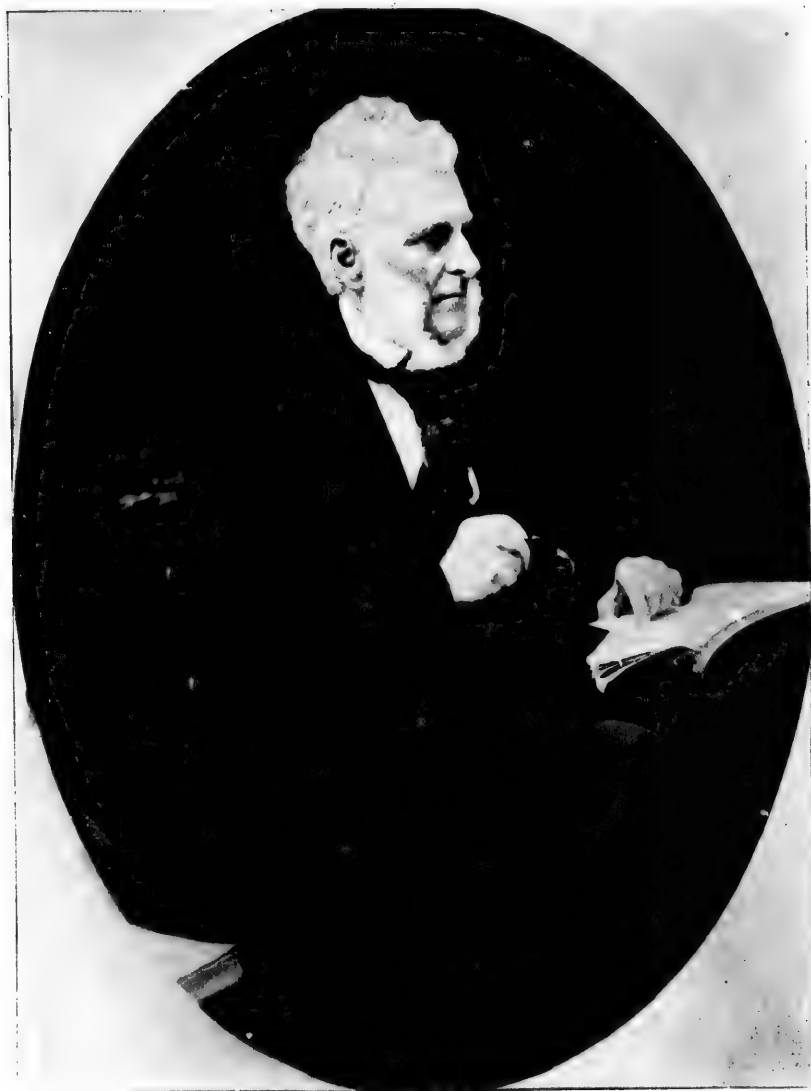
He was appointed Governor of Barbadoes and the Windward Islands in 1855, and at the close of his term in 1862 became Governor of British Guiana. Upon retirement from the latter post in 1869 he was created a K.C.M.G., and a short time afterwards accepted the position of Canadian Finance Minister under Sir John A. Macdonald. In 1873 he resigned his portfolio after having had much to do with the moulding of the Canadian Banking System, and retired from public life. His pen, however, continued active for many years afterwards in connection with financial and fiscal questions, and his volume of *Reminiscences*, published not long before his death in Montreal in 1885, contained much valuable historical material. He had been President of the Confederation Life Assurance Company, President of the City Bank of Montreal, and afterwards of the Consolidated Bank. He supported Lord Sdenham's banking proposals in 1841; vigorously defended Sir Robert Peel's Bank Act in 1847; and largely controlled the financial legislation of 1851-1853.

Between 1858 and 1866 fourteen bank charters, authorizing a capital of \$9,460,000, were obtained, with required and immediate payments of \$1,475,000. Only seven of these institutions were organized upon anything like a permanent basis. The charters of the Banks of Clifton and Western Canada, and of the International and Colonial Banks, were repealed in 1863—all of these concerns having meantime suspended payment. In 1858 the Bank of Canada was chartered, and

the charter afterwards purchased by the Canadian Bank of Commerce in 1867. During the year 1860 *La Banque Nationale*, of Quebec City, was incorporated by the Hon. Ulric J. Tessier, Isidore Thibaudeau, Eugene Chinic, Cirice Tetu, Olivier Robitaille, David Dussault, and Prudent Vallee. In 1864 the Merchants' Bank of Canada was organized, and *La Banque Jacques Cartier* in 1862—the latter by Louis Beaudry, S. V. R. Trudeau, R. A. R. Hubert, C. S. Rodier, Jr., Andree Lapierre, J. B. Couillard, Chas. Lacaille, Jean B. Rolland, R. St. Jean, and other citizens of Montreal. The Royal Canadian Bank was chartered in 1864. Its incorporators were John Bell, Q.C., Lieutenant-Colonel George T. Denison, James Metcalf, William Barker, J. P. Wheler, R. A. Harrison, Q.C., S. M. Jarvis, M. R. VanKoughnet, Thomas Woodside, William McKee, Robert Walker and others.

The unfortunate Mechanics' Bank came next in 1865, and the Union Bank of Canada in the following year. The former was incorporated by Alexander Ramsay, James Mara, Thomas D. Hood, David McNiven, Charles J. Brydges, William Ailton, Alexander Molson, James Thomson, and Charles Garth; the latter by Charles L. Levey, John Burstall, John Sharples, Joseph Roberts, Timothy Dunn, Matthew G. Mountain, and other citizens of Quebec.

Since Confederation there have been two distinct periods of Canadian banking expansion. The first was from about 1868 to 1874. The Merchants' Bank of Halifax was organized in 1869 by Sir Edward Kenny, William Cunard, Thomas E. Kenny, Senator Northrup and others; and the Dominion Bank charter was asked for by John Worthington, James Crowther, John H. Crawford, M.P., Hon. J. C. Aikins, W. S. Lee, Hon. John Ross, etc., in the same year. The Metropolitan Bank of Montreal was chartered in 1871 by Samuel Waddell, Maurice Cuvillier, M. P. Ryan, Henry Hogan, and the Hon. A. P. Caron, M.P.; but, after some years of ambitious effort and sometimes unwise transactions, wound up its affairs in 1877, with a loss of some \$800,000 capital. The Bank of Liverpool, N.S., was another unfortunate institution of this year's development, and so with the Bank of Acadia,

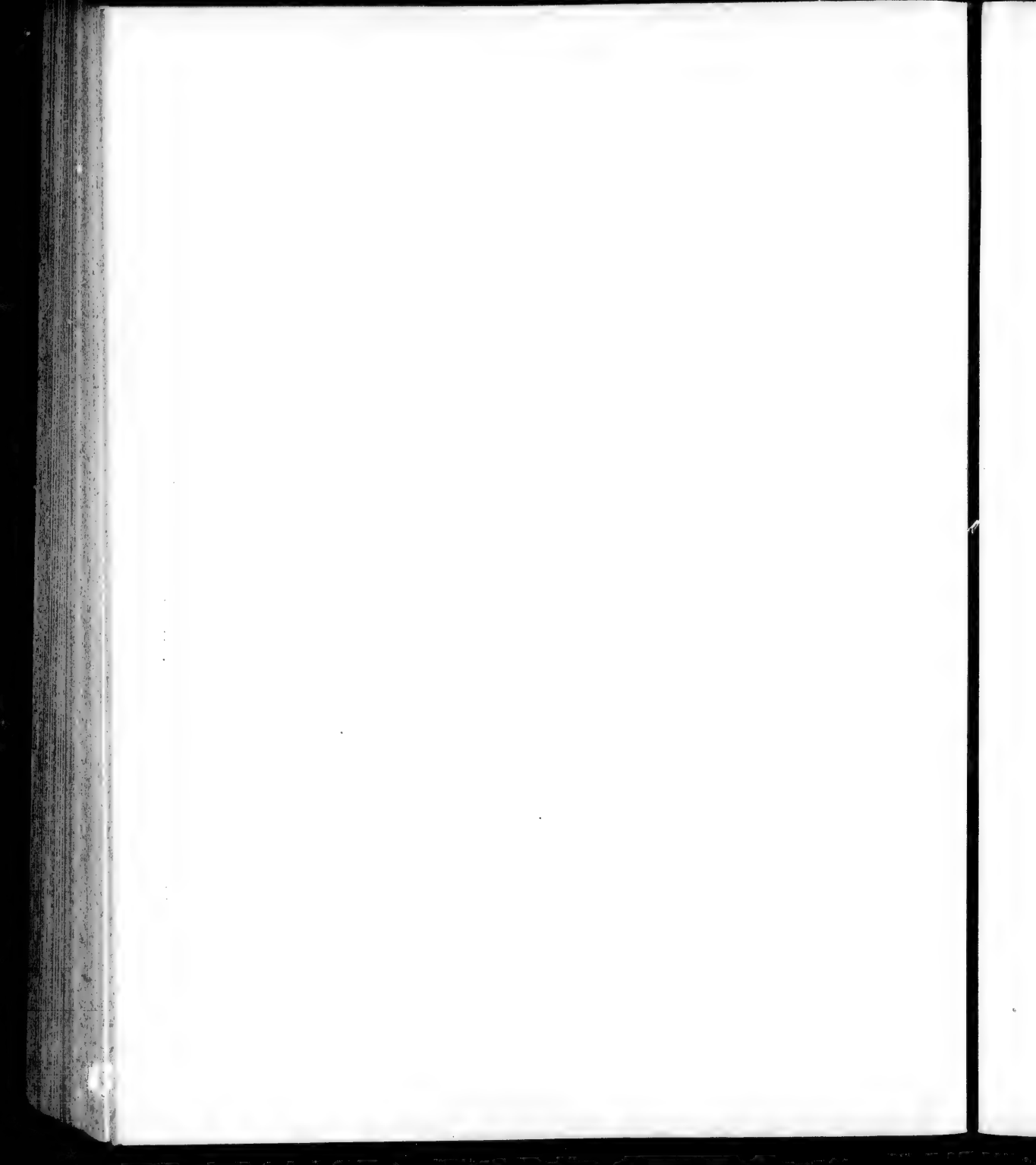


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N.S., which was chartered in 1872. They were controlled largely by American speculators, and after short but disastrous careers failed in 1873, with much loss to the community.

In 1872 the Exchange Bank of Canada was incorporated at Montreal by M. H. Gault, Thomas Caverhill, Hon. A. W. Ogilvie, E. K. Greene, William Rodden, Sir Alexander Galt and other leading financial men. In August, 1879, after a somewhat unfortunate career, it was obliged to suspend payment, but resumed again in November and continued operations until 1883. The institution had a hard struggle for existence during its later years, and was twice helped by loans or deposits from the Government at critical junctures. This gave rise to Parliamentary discussions and the epithet of "a political bank" bestowed upon it by the Hon. Edward Blake. The loss to its creditors has been estimated at \$690,000 and to its shareholders at \$1,800,000. The Maritime Bank of Canada, established at St. John, N.B., in this year, also had an unfortunate history. It was chartered by James Domville, M.P., John W. Cudlip, Sir Albert J. Smith, J. V. Troop, Charles H. Fairweather and others, and in its first eight years is said to have lost \$600,000. The bank was re-organized in 1883 and its paid-up capital reduced to \$247,000. In 1887 it failed, with a loss to its shareholders of about \$1,000,000.

La Banque Ville Marie was a French-Canadian institution chartered in 1872 by N. Villeneuve, Denis E. Papineau, J. C. Cassidey, L. N. Duverger, P. A. Fanteux, C. F. Papineau of Montreal; Louis Archambault of L'Assomption; George Caron of St. Leon; A. H. Paquet, F. Xavier and A. Biron of St. Cuthbert; and Pierre St. Jean of Ottawa. The St. Lawrence Bank was also chartered in this year by John Charles Fitch, F. Shanly, John Hoskin, Q.C., Thomas Dick, Robert Hay, W. F. Allen and others. In 1876 it was re-organized as the Standard Bank of Canada, and the shares in the old institution of par value of \$100 were exchanged against new shares worth \$50. The Bank of Hamilton was another of the institutions chartered in 1872. It was organized at Hamilton by John Winer, Edward Jackson, Edward Gurney, Hon. James Turner, J. M. Williams, M.P.P., Charles Magill,

M.P., A. T. Wood, John Stuart, Edward Martin and others. The Halifax Banking Company was chartered at the same time by William Pryor, Brenton H. Collins and the Hon. Philip Carteret Hill, in the capital of Nova Scotia, while the Superior Bank of Canada was organized at Toronto by the Hon. Adam Crooks, Q.C., John Shedden, S. Nordheimer, James Michie, A. H. Sibley, Sir George A. Kirkpatrick, N. Rooney, Thomas Dick, Clarkson Jones and others, and soon afterwards became known as the Federal Bank of Canada.

Its career began under apparently bright and prosperous auspices. In 1882 the capital was doubled and then amounted to \$3,000,000, while its stock in July of the succeeding year sold at 150½. But in 1884 its time of trouble commenced and rumours of various kinds caused a run upon its head office, which a temporary loan of \$2,000,000 from the other banks checked. In 1885 the capital was reduced to \$1,250,000, and two years later, by agreement with other institutions which arranged to contribute \$2,700,000, if required, its affairs were voluntarily liquidated without loss other than that of the shareholders.

La Banque d'Hochelaga was one of a number of institutions formed in 1873. Its shareholders seeking incorporation were Claude Melancon, Louis Tourville, Joel Leduc, Louis Monet, E. A. Genereux, L. O. Turgeon, A. S. Hamelin and others, all mentioned as "traders of the City of Montreal." At the same time the Stadacona Bank was organized at Quebec by Pierre Garneau, T. Hunter Grant, Sir Adolphe Caron, J. L. Gibb, A. Tourengau, M.P., S. B. Foote, etc. In 1879, owing to adverse fortune, its liquidation was decided upon, and something like a million dollars was withdrawn from the banking capital of the country. The old Niagara District Bank was re-organized in this year as the Imperial Bank of Canada, with headquarters in Toronto instead of St. Catharines. The incorporators were John Morrison, R. Carrie, R. S. Williams, A. Oliver, M.P.P., W. T. Mason, A. M. Smith, J. J. Vickers, Joseph Davidson, John Fiskien, Patrick Hughes and W. J. Macdonnell. The Pictou Bank, (Pictou, N.S.) was chartered in 1873 by John Crerar, J. T. Ives, William Gordon, A. J. Patterson, Robert Doull and other local men. After various misfor-

tunes, the institution went into voluntary liquidation in 1887. La Banque de St. Hyacinthe was also formed at this time in the town of the same name in Quebec, by Pierre Bachaud, F. X. Cadieux, the Hon. M. Laframboise, the Hon. W. H. Chaffers, G. C. Dessaulles, Louis Marchand, L. Delorme, M.P., and others.

La Banque de St. Jean was also chartered by local men in St. Johns, Quebec, during this year. Those seeking incorporation included Louis Molleur, Jr., M.P.P., F. G. Marchand, M.P.P., A. Decelles, J. E. Molleur, Isaac Coote, T. R. Jobson, etc. The Bank of Ottawa was formed in 1874 under a charter obtained by James MacLaren, the Hon. George Bryson, Robert Blackburn, M.P., C. S. Tate, Alexander Fraser, Daniel O'Connor, Charles Magee and Edward McGillivray.

Though not a new institution, the Consolidated Bank of Montreal was organized during this period by the union of the City Bank and the Royal Canadian Bank in 1875. The action was taken largely under the initiative of Sir Francis Hincks, who was President of the first-named concern. But, despite his ability and experience, the result was most disastrous. The reasons for the failure, which followed in 1879, have been stated by a banking authority as (1) the small rests and mediocre earning power of the two banks at the time of amalgamation; (2) the evils of a double-headed system of management; (3) the incompetence of certain higher employés of the bank; (4) the unjustifiable advances to firms of small calibre; (5) the unhealthy condition of Canadian business generally at the time.

A number of other institutions were chartered during these years, which failed in obtaining enough capital to commence business. Of such a character was the Bank of Agriculture, chartered in Hamilton in 1869; the Bedford District Bank, Waterloo, Quebec, and the Western Bank, Yarmouth, N.S., in 1871; the Bank of St. John, N.B., and the Bank of Manitoba, Fort Garry, in 1872; the Three Rivers Bank, Three Rivers, Quebec, and the Central Bank of Canada, Montreal, in 1873; the London and Canada Bank, Toronto, in 1874. Meantime the Gore Bank, with headquarters at Hamilton, went into liquidation in 1869, owing largely to complications with the

affairs of the Bank of Upper Canada; and the Commercial Bank of New Brunswick, and the Commercial Bank of Canada failed. But the expansion of banking business had been very great.

The paid-up capital of banks in Canada increased from \$32,500,162 on June 30th, 1867, to \$55,102,959 on June 30th, 1873. The notes in circulation increased from \$10,102,439 to \$24,956,046, and the bills discounted from \$54,899,142 to \$121,977,754. Many banks increased their capital, about \$5,000,000 each being added by the Bank of Montreal, the Merchants Bank of Canada and the Canadian Bank of Commerce. Then came the period of financial stringency and "hard times," when, according to Dun, Wiman & Co., the failures in Canada rose from \$12,334,191 of liabilities in 1873 to an average of \$25,000,000 in 1875-77, and brought about many of the bank difficulties mentioned.

**The second period of expansion in banking** matters commenced about 1882. Between that date and 1886 thirteen new banks were incorporated. There were four in 1882, three in 1883, four in 1884, and two in 1886. Of these, four were proposed for Winnipeg, Manitoba, but only one, the Commercial Bank of Manitoba, started. Of the two for Montreal, including the Planters' Bank of Canada, which was to have branches and local Directors in the United Kingdom and the West Indies, neither began business. Of two intended for London, Ontario, only the Bank of London in Canada was established. Of the three whose head offices were to be in Toronto, only the Central Bank of Canada and the Traders' Bank of Canada secured the necessary capital. One other corporation, the Western Bank of Canada, opened in Oshawa, Ontario. Of these institutions several were very unfortunate or badly managed. The Bank of London in Canada was chartered in 1883 by William Woodruff, Hon. John G. Haggart, M.P., George K. Atkinson, Hugh Sutherland of Winnipeg, George T. Orton of Winnipeg, P. J. Brown, and Duncan McMillan. Though its capital and business were comparatively small, the Bank or its President was very speculative, and the failure came in 1887, largely helped through association with an insolvent Loan Company. The Central Bank of Canada, with



headquarters in Toronto, started in the same year, and suspended also in 1887. Its incorporators were David Blain, Henry O'Brien, *q.c.*, C. Blackett Robinson, Robert Hay, H. P. Dwight, Samuel Trees, and A. McLean Howard. After four years of business, its capital of \$500,000 and the proceeds of the double liability of shareholders were alike sunk. Note-holders and creditors were, however, practically paid in full.

The Commercial Bank of Manitoba was equally unfortunate. Chartered in 1884, during the period of inflation, by the Hon. A. G. Bannatyne, J. B. McKilligan, Heber Archibald, H. M. Howell, Henry Vivian and others, it practically represented the private banking business of MacArthur, Boyle & Campbell of Winnipeg. It was managed in a way beneficial to local development, but not apparently upon sufficiently strict business principles, and in July, 1893, was obliged to suspend operations. The Traders Bank of Canada was incorporated in 1884 by Edmund G. Burk, John Carveth, Lt.-Colonel Cubitt, J. B. Fairbairn, Aaron Buckler, J. J. Tilley, R. R. Loscombe, A. H. Leith, John Milne, John Rankin, and other capitalists—chiefly of Bowmanville, Ontario. The Western Bank of Canada, with headquarters at Oshawa, was chartered in 1882, by a number of local men, including W. F. Cowan, R. Hamlin, W. F. Allen, T. H. McMillan, John Cowan, Henry Brien, William Brien, A. English, and J. A. Gibson.

Efforts were made at this time to attract English capital into Canadian banks after the Australian fashion, but without much success. The Commercial of Manitoba did obtain some small portion, to the subsequent sorrow of the English shareholders. In 1875 the projected Banque St. Jean Baptiste of Montreal and the Chartered Bank of London and North America had made efforts along this line, but without success, and their charters were forfeited. So with the London and Canada Bank chartered in 1877, and the Chartered Bank of London and Winnipeg, in 1880. During this second period of expansion the Canadian banks did a good business. On December 31st, 1880, their total deposits were \$79,000,000, and on the last day of 1889 were \$126,000,000; the total liabilities rose from \$121,000,000 to \$171,000,000; the discounts to the public from

\$105,000,000 to \$150,000,000; and the total assets from \$192,000,000 to \$252,000,000. Then came the reaction and the failures which have been referred to, and a reduction in the capital of five banks between 1882-88 amounting to \$4,000,000.

**The financial inflation of 1880 in Winnipeg** and the North-West will not soon be forgotten in the Dominion. It affected many parts of Canada, and naturally caused much trouble to the banks in Manitoba. The era of railway construction, immigration, settlement, and trading in real estate, between 1879 and 1880, had developed a land "boom" of the most distinct American type. The price of building lots in Winnipeg, the Provincial capital, rose above the value of land centrally located in Toronto and Montreal. All kinds of land schemes were started, and there was a corresponding expansion of enterprises of every kind. "Thousands of persons in Ontario sold the solid securities which often comprised their entire fortune to put the proceeds in lands in prairie villages of which the ink on the first survey was hardly dry." As others lost, they lost. The upward flight of values was high, but it was brief, and the end came late in the autumn of 1882. Millionaires in prospect found themselves paupers in fact. The inflation was tolerably thorough throughout the Province; and when land values fell, a good part of the community became practically insolvent. This caused other failures in what might be termed legitimate business, and this re-acted heavily upon the banks. As Mr. Breckenridge says:

"It was on this account, and not because they had loaned on land or encouraged the inflation, that the chartered banks who had established agencies in Manitoba lost heavily. Of the five banks earliest to enter the field, three dismissed their Winnipeg managers. This will indicate how grave were the losses, but not how great. To know that, one would need for some years to have attended the regular board meetings of at least seven different banks. None of these institutions were compelled to suspend payment. One advantage of branch banking is the possibility under it to spread and differentiate risks; the gains of a bank and the safety of its loaning business as a whole does not depend on the ups and downs of a single community or commercial and industrial group. Having staked but a part of their funds in Manitoba, the banks passed through the trouble

with their entire resources lessened, no doubt, but by no means destroyed, and from gains in the East they were enabled to meet losses in the West. The only outward signs of loss were lower dividends, reduction of, or smaller additions to Rests, and, in one or two cases, reduction of capital stock."

**The number of chartered banks in the Dominion on 30th June, 1895, was 38.** The recent development of Canadian banking business may be seen by the following statement compiled by the Dominion Statistician :

Year.	Capital paid up per head of population.	Circulation per head.	People's deposits per head.
1871.....	\$10 30	\$5 75	\$15 48
1881.....	13 76	6 60	21 81
1891.....	12 56	6 54	30 70

Year.	People's discounts per head.	Liabilities.	Assets.
1871.....	\$23 33	\$22 07	\$34 46
1881.....	27 04	29 40	46 38
1891....	35 40	38 75	55 72

**The first chartered bank to suspend business** in Canada after the Confederation of its Provinces in 1867, was the Commercial Bank of New Brunswick. The Bank of Acadia (Liverpool, N.S.) suspended in 1873; the Metropolitan Bank of Montreal in 1877; the Mechanics Bank of Montreal, the Consolidated Bank of Montreal, the Bank of Liverpool, N.S., and the Stadacona Bank of Quebec, in 1879; the Exchange Bank of Canada in 1883. The Maritime Bank of St. John, N.B., the Pictou Bank, the Bank of London, Ontario, and the Central Bank of Canada suspended in 1887; the Federal Bank in 1888; and the Commercial Bank of Manitoba in 1893. In all, fourteen banks suspended, representing assets of over \$22,000,000 and liabilities of over \$15,000,000. Of these institutions eleven have redeemed their notes in full, within a reasonable time, and the others after a more prolonged period. Eight paid their deposits in full; one (the Mechanics') paid 57½ per cent., one (the Exchange, paid 64 per cent., exclusive of the final dividend, and one paid 86½ per cent. Mr. R. M. Breckenridge has summarized a valuable re-

cord of Canadian banking disasters and failures in the following concise words :

"If any conclusion may be drawn from the study, it is that the disasters have been due to faults of practice rather than defects in the system. It is clear that legislation, scientifically framed, has not prevented poor management, bad management or fraud. No one, probably, ever expected it would. It is clear also that it has not saved shareholders from loss. A careful estimate shows that, by reductions of capital, liquidations, failures, and contributions on the double liability, shareholders have sunk at least \$23,000,000 in Canadian banking since the 1st of July, 1867. This sum, more than thirty-seven per cent. of the present paid-up banking capital, is independent of the losses provided for out of profits, or met by reduction of Rests. The security of a group of banks, however, must be judged, not by the losses of their proprietors, but by those of their creditors. We may see now how well the Canadian system has minimized the creditors' risks. Out of fifty-six chartered banks, some time in operation in Canada since the 1st of July, 1867, just thirty-eight survive. Ten of those gone before have failed. But the total loss of principal inflicted during twenty-seven years on note-holder, depositor, Government, or creditor whomsoever, has not exceeded \$2,000,000, or less than one per cent. of the total (1890) liabilities of Canadian banks."

**The following table, condensed from the Montreal *Journal of Commerce* by Mr. George Johnson, the Dominion Statistician, gives the highest and lowest quotations for the stocks of certain banks in the years mentioned, and shows the remarkable growth of many of these institutions :**

	1875.	1895.
Montreal .....	H. 195 L. 179	226 214½
Ontario .....	H. 113 L. 101	97 80
Merchants.....	H. 118 L. 90	172½ 160
Molsons.....	H. 117 L. 101	180 160
Toronto.....	H. 109 L. 117	248 221
Commerce.....	H. 138 L. 118	146 130

	1875.	1895.
Standard.....	H. ....	168
	L. ....	161
Ville Marie .....	H. 103	73
	L. 86	70
Eastern Townships.....	H. 125	145
	L. 100	135
Quebec.....	H. 116	130
	L. 107	112½
Union of Canada.....	H. 106	103½
	L. 83	97
Hamilton.....	H. 95	160½
	L. 90	153
Dominion.....	H. 120	276½
	L. 111	245
British North America .....	H. 152	156
	L. 146	100½
Nationale.....	H. 115	78
	L. 105	55½
Jacques Cartier .....	H. 107	119
	L. 15	100
Imperial.....	H. 106	190
	L. 100	177½
Hochelaga.....	H. ....	129
	L. ....	120

The Canadian Bankers' Association was organized on December 17th, 1891, at an inaugural meeting held in Montreal. Mr. George Hague, General Manager of the Merchants Bank of Canada, who had for years urged its formation, was elected President. The importance of having such an association had been impressed upon leading bankers when conferring together, in 1890, regarding the renewal of the bank charters. After considerable difficulty, owing to the wide extent of the Dominion and the diverse interests represented by various localities, a constitution was finally arranged and officers elected. The objects of the Association, as stated in its constitution, were as follows:

"To carefully watch proposed legislation and decisions of the Courts in matters relating to banking, and to take action thereon; also, to take such action as may be deemed advisable in protecting the interests of the contributories to the bank circulation redemption fund, and all matters affecting the interests of the chartered banks.

It shall also be competent for the Association to promote the efficiency of bank officers by arranging courses of lectures on commercial law and banking, by discussions on banking questions, by competitive papers and examinations. Prizes may be offered for proficiency, under the direction and control of the Executive Council."

The annual meetings of the Association and the Presidents elected have been as follows:

Time.	Place.	President elected.
May, 1892	Montreal.....	George Hague.
June, 1893	Toronto .....	E. S. Clouston.
Dec., 1893	Montreal.....	B. E. Walker.
July, 1894	Halifax.....	B. E. Walker.
Sept., 1895	Quebec.....	Thomas Fyshe.
Sept., 1896	Ottawa.....	F. W. Thomas.
Oct., 1897	Niagara Falls....	D. R. Wilkie.

Mr. Clouston, General Manager of the Bank of Montreal, declined to act in 1893, and, at a sub-



E. S. Clouston.

sequent meeting of the Executive Committee, Mr. Walker, of the Canadian Bank of Commerce, was elected in his place.

The Bank of Montreal has the double distinction of being the first bank in Canada and the greatest banking institution upon the continent of America. Its capital and reserve fund are alike the largest of any Canadian or American institution. The men who organized it in 1817 were

remarkable for their caution, and when the new venture was started with Mr. John Gray as President, they were content to rent offices at £150 per annum. The charge of the business was placed in the hands of Mr. Robert Griffin, as Cashier, and operations were commenced with a paid-up capital of \$350,000. In 1819 this was increased to \$650,000, and in the following year to \$750,000. In connection with the organization of the Bank the *Quebec Gazette* of May 29th, 1817, had the following extract, stated as being quoted from the *Montreal Herald* of May 22nd:

"In the first pages of this paper the articles of the Montreal Bank Association are laid before the public. Such an establishment has always been a favourite with this journal, and we cannot but congratulate the community on the prospect of a wonderful change for the better in the agricultural and mercantile pursuits of this Province. The articles of this most laudable Association, so far as we are enabled to judge from practical experience in our younger years, and from much reading, are drawn up with great judgment and wisdom, and seem extremely well calculated for our local position. We forbear making any remarks on the subject for the present, further than that we wish the establishment the utmost success in all its bearings."

Associated with Mr. Griffin in the early management of the Bank were H. Dupuy as Accountant, and Mr. Stone, an American, as one of the Tellers. The Directors, during the first year, were men of high business standing, and included John Gray, George Gardin, John Forsyth, Hon. H. Gates, James Leslie, Hon. George Moffatt, F. W. Ermatinger, D. David, Hon. A. Cuvilier, John McTavish, George Platt, Hiram Nicholls, and Charles Bancroft. The story of its ensuing financial development is one of the most remarkable things in banking history. In 1829 its capital was \$850,000; in 1841, \$2,000,000; in 1845, \$3,000,000; in 1855, \$4,000,000; in 1860, \$6,000,000; in 1873, \$12,000,000, at which it now (1897) stands. During its prolonged career the Bank of Montreal has had the following Presidents:

Name.	Date of appointment.
John Gray.....	9th August, 1817.
Samuel Gerrard.....	5th June, 1820.
Hon. Horatio Gates.....	6th June, 1826.

Name.	Date of appointment.
Hon. John Molson.....	December, 1826.
Hon. Peter McGill.....	1835-60.
T. B. Anderson.....	4th June, 1860.
E. H. King.....	2nd November, 1869.
David Torrance.....	3rd June, 1873.
Lord Mount Stephen...	10th March, 1876.
C. F. Smithers.....	6th June, 1881.
Lord Strathcona and Mount Royal.....	May, 1887.

The Cashiers or General Managers of the Bank have included some of the ablest of Canadian financiers, and were as follows:

R. Griffith,	Cashier.....	1817
Benjamin Holmes,	"	1827
Alex. Simpson,	"	1846
David Davidson,	"	1855
E. H. King, General Manager.....		1863
R. B. Angus,	"	1869
C. F. Smithers,	"	1879
W. J. Buchanan,	"	1881
E. S. Clouston	"	1890

In the first full year (1819) of the Bank's operations a dividend was paid at the rate of eight per cent. per annum, and since then (with the exception of the years 1827 and 1828, when it paid nothing to the shareholders) the annual dividends have ranged from six per cent. to sixteen per cent. That its affairs have been carefully conducted will be seen by reference to the rest, or reserve fund, which is practically so much additional capital. After eight per cent. had been paid as a dividend in 1819, a balance of \$4,168 remained on hand, and was laid aside as a reserve fund. From that date of small beginnings the amount has steadily grown. In 1825 it was \$30,780, going down to \$12,064 in the following year, and up to \$107,084 two years later; in 1830, it stood at \$31,360. Five years later it stood at \$80,660, going up to \$197,828 in 1837; in 1840, it showed \$89,480; in 1850, \$120,192; in 1860, \$740,000; in 1870, \$3,000,000; in 1880, \$5,000,000; in 1883, \$5,750,000; in 1897, \$6,600,000. Meanwhile the great disasters which befell the banking community of England in 1826 exercised a powerful influence upon Canadian commerce, and strained the strongest institutions. Even the Bank of Montreal was only able to pay three per cent., and that at the

cost of more than half of its reserve. Years of depression followed, but with 1832 came the change, and the dividends steadily increased until sixteen per cent. was paid in dividend and bonus upon an enormously increased capital.

The prosperity which the Bank of Montreal has usually had, and its immunity from anything like serious disaster, must be attributed more or less to the ability and prudence with which its affairs have been managed. Under the Presidency of Mr. John Gray, a careful banking system was established, and Mr. Gray's policy was



Hon. Peter McGill.

endorsed and perpetuated by his successors in office. In 1827 Mr. Benjamin Holmes had succeeded Mr. Griffin as Cashier, and during his *regime* it was established that the Bank must depend rather upon the Cashier than the President for general management. Mr. Holmes held his position until 1827, when he resigned, and Mr. Alexander Simpson, who had for some years previously been in charge of the Quebec branch of the Bank, was appointed to his place. On Mr. Simpson's retirement in 1855, Mr. David

Davidson, who had been for a considerable time manager of the Bank of British North America in Montreal, became Cashier, and at his suggestion an Act of Parliament was demanded, and granted, changing the title of Cashier into that of General Manager. Mr. Davidson was a man of great ability, and seems to have combined enterprise and caution in his policy. His first act was a re-organization of the Bank's system by the introduction of Scotch methods and principles. At that time our financial institutions were feeling the strain of the long-continued commercial depression following upon the abolition of the Preferential Trade system, and Canada was suffering as only a young and undeveloped country can suffer in such a time of general disaster. The depression became a panic in 1857, as a result mainly of United States troubles, and to Mr. Davidson's bold policy and full appreciation of the position it is said that much of the comparative immunity of the merchants of Montreal was due. Thus a double object was gained, and while the trade of Montreal was saved, a very valuable business was preserved and assured to the Bank.

On Mr. Davidson's retirement to become the Treasurer of the Bank of Scotland, Mr. E. H. King, who, as well as Mr. C. F. Smithers, had been trained in the Bank of British North America, succeeded to the general management. His name is distinguished as that of a banker of exceptionally great ability. Mr. King continued the policy so successfully inaugurated by Mr. Davidson, and year by year the position of the Bank was strengthened while the shareholders were rewarded with increasing dividends. So greatly did Mr. King impress himself upon the business and policy of the institution that in 1859 he was made President, with Mr. R. B. Angus as General Manager. It was, in fact, a joint management, for Mr. King did not merely preside over the Bank's meetings and give its affairs a brief portion of his time, but devoted himself entirely to its interests in conjunction with Mr. Angus. After his retirement in 1873, matters again reverted into the hands of the General Manager.

During the succeeding six years Mr. Angus, who had won the respect and confidence of the Directors, shareholders, and public alike, re-

maintained in practical control of the Bank. In 1879 he resigned, and it was feared that his ability, experience and prudence would be greatly missed. The Directors, however, turned to Mr. C. F. Smithers, who had been connected with the institution almost continuously since 1858, and had filled the position of Inspector with much success and, latterly, the position of New York Agent. Under his management the Bank weathered the difficulties of that time, and in 1881 the Directors recognized his services by a reversion to the policy adopted during Mr. King's regime, and appointed him to the Presidency, with Mr. W. J. Buchanan as General Manager. Mr. Buchanan had been connected with the Bank since 1853, filling many posts in succession. Mr. Smithers continued until 1887 to devote all his time and abilities to the Bank. In that year he retired and was succeeded by Sir Donald A. Smith—now Lord Strathcona and Mount Royal. Mr. Clouston became General Manager in 1890.

It is interesting to note that half a century ago—in 1848—the capital of the Bank was \$750,000, and the Directors included such prominent local business men as the Hon. Peter McGill, T. B. Anderson, Hugh Allan, John Molson, John Redpath, Thomas Ryan, Harrison Stephens and John Torrance. The Directors elected in 1897 were Lord Strathcona and Mount Royal, R. B. Angus, E. B. Greenshields, Hon. George A. Drummond, A. F. Gault, W. C. McDonald, Hugh McLennan, W. W. Ogilvie, and A. T. Patterson. Lord Strathcona and Mount Royal was re-elected President and Senator Drummond Vice-President.

**The Quebec Bank was formed in 1818** by a number of Quebec merchants and residents, who did not think the newly organized Bank of Montreal sufficient for the needs of the Province and of their own city. According to a notice in the *Quebec Gazette* of February 22nd, a public meeting was called for the 5th inst. following of all who were "concerned in the agricultural trade and general interests of the Province, to take into consideration the expediency of establishing a bank in this city." The resolution which follows was duly passed at this meeting:

"Resolved, that the establishment of a bank in

the City of Quebec is an object of the highest importance to the community at large; should materially assist the agricultural interests of the district, and afford great relief to the commerce of the country, so much depressed at this moment.

Resolved, that the said establishment of a bank on principles of solid capital and integrity is immediately and urgently required by all classes of the citizens of Quebec; and more particularly so as the actual quantity of gold and silver is, as a circulating medium, inadequate to the wants of this district, and subject to perpetual fluctuations.

Resolved, that a bank should be established in the city of Quebec, to be entitled the Quebec Bank; and that at such future period as may be thought advisable, a memorial be presented to the Legislature, praying that an Act may be passed to incorporate the same.

Resolved, that experience has proved that a bank may be established and operated, on principles of the most solid and perfect security, both to the individual stockholders and to the public at large, without any charter of incorporation. That this meeting do approve of the schedule now submitted as the basis of a contract of mutual association, for the establishment of a bank in this city."

Articles of association were accordingly drawn up by the Committee which was then appointed, and these were afterwards accepted. By the 17th of September sufficient stock had been subscribed to permit of the Directors being elected. The following were duly chosen: J. M. Woolsey, President; Thomas White, Vice-President; P. A. de Gaspé, James McCallum, Sr., Benjamin Tremain, John Jones, Jr., W. G. Sheppard, Charles Smith, Louis Massue, John Goudie, Jean Langevin, E. C. Lageux and Henry Black, Directors. Some efforts had been previously made to amalgamate the projected concern with the Bank of Montreal, but unsuccessfully, and the latter institution soon opened a branch of its own in Quebec.

The Presidents of the Quebec Bank following Mr. Woolsey's retirement were W. G. Sheppard, who was elected in 1823; Charles Smith, 1832; John Fraser, 1838; James Gibb, 1842; W. H. Anderson, 1859; D. D. Young, 1863; Hon. James G. Ross, 1869; Robert H. Smith, 1888; John Breakey, 1897. Noah Freer was the first Cashier, and held that position from 1818 to 1852. He was succeeded by Mr. C. Gethings, and he in turn by Mr. William Dunn in 1861. Mr. James Steven-



son, who proved himself an able financier and was well known throughout the Dominion as a leading banker, was Cashier from 1865 until his death in 1894. Three years before that time the title of the office was changed to General Manager. Mr. Thomas McDougall succeeded Mr. Stevenson.

The capital stock of the bank is \$2,500,000 and the rest \$600,000. The Report for the year ending 15th May, 1897, gave its deposits as \$7,061,538; its note circulation as \$903,485; and its notes and bills discounted as \$8,299,641. The President elected at the annual meeting in 1897 was Mr. John Breakey; the Vice-President, Mr. W. J. Withall; and the Directors chosen were, G. R. Renfrew, S. J. Shaw, John T. Ross, Gaspard Lemoine, and W. A. Marsh.

**The Bank of British Columbia** was incorporated by Royal Charter on 31st May, 1862, with Mr. F. W. L. Macklem as Chairman of the Board in London. The Victoria, B.C., branch was opened in that year, with James D. Walker as Manager. He was succeeded by D. M. Lang in 1864, W. C. Ward in 1866, and George Gillespie in 1892. The branch at New Westminster was opened in 1864, at Vancouver in 1886, at Nanaimo in 1887, at Kamloops in 1887, at Nelson in 1892, and at Kaslo and Sandon in 1896. The Bank of British Columbia has no branches outside of the Province, and, judging by its gradual extension, as settlement and mining progresses, has been mainly desirous of keeping in touch with local development. Since 1876 the Chairman has been Sir Robert Gillespie. The paid-up capital is £600,000 and the Secretary and Manager in London is Mr. S. Cameron Alexander. The other Directors in London for 1897 were C. W. Benson, Henry J. Gardner, T. G. Gillespie and Guy Oswald Smith. The bills discounted and loans during 1896 amounted to £1,092,403, and the deposits to £1,508,078. The Reserve Fund of the Bank was then £100,000, or \$500,000.

**The following table of the highest and lowest circulation of bank notes in the old Province of Canada during 1857-1865 inclusive, from the Report of the Parliamentary Committee on Banking and Currency—Journals, House of Commons, 1869—is of value:**

Year.	Month.	Highest Circulation.	Month.	Lowest Circulation.	Expansion.
1857	January..	\$11,873,730	December	\$8,757,315	\$3,116,415
1858	October..	10,177,414	May.....	7,682,350	2,495,064
1859	October..	11,236,055	May.....	8,124,123	3,113,950
1860	October..	14,756,242	May.....	9,478,440	5,277,802
1861	October..	15,259,202	April.....	10,036,451	5,222,751
1862	February.	12,812,268	December	9,868,997	2,943,027
1863	October..	11,288,890	May.....	8,372,567	2,916,323
1864	January..	10,982,726	August...	8,525,475	2,457,251
1865	October..	14,258,655	July.....	8,169,289	6,189,366

It illustrates how great the fluctuations were and how usefully the banks responded then, as they do now, to the requirements of the community. With these figures may be compared those of 1895, which, of course, covered the whole Dominion of Canada. The lowest circulation in that year was in February, and amounted to \$28,815,434; the highest was in October, and reached the total of \$34,671,028. These figures indicate better than many pages of argument how flexibly the banking system of Canada responds to the currency needs of a country which has to move crops and carry on business over 3,000,000 square miles of thinly settled territory.

**The Merchants Bank of Canada** owes its existence to the exertions of one of Montreal's greatest citizens, the late Sir Hugh Allan. It was founded in 1864 (despite a general belief that there was hardly room for further banking extension) and commenced business with a subscribed capital of \$1,000,000. Those who asked for incorporation were Hugh Allan, the Hon. Louis Renaud, Harrison Stephens, the Hon. John Young, H. H. Whitney, Damase Masson, Andrew Allan, Edwin Atwater, William Edmundstone, John Smith, Ira Gould and R. Anderson. Sir Hugh Allan became President and Mr. Jackson Rae, Cashier. Before the first Report, produced in July, 1865, the paid-up capital had been increased to \$537,060, and as justification of the judgment of those who had started the Bank, a dividend at the rate of eight per cent. was paid for the first year. In the following year the paid-up capital was increased to \$657,952, upon which the net profit was \$94,793, or nearly 14½ per cent. upon the capital. During this year a further issue of stock was made and taken up, which increased the capital of the Bank in 1867 to \$941,970, or an average of \$857,985 for the year,



upon which a net profit of \$108,208.50 was made, or 12½ per cent. On this declaration of success it was resolved to increase the subscribed capital to \$2,000,000, which was at once taken by the existing stockholders. Negotiations were afterwards commenced for assuming the business of the Commercial Bank of Canada, which had its headquarters at Kingston, and had recently suspended payment. They finally resulted in the shareholders of the Commercial Bank receiving one share in the Merchants Bank of Canada for every three in the suspended concern. To meet the great volume of business thus created the Directors determined to further increase the subscribed capital to \$4,000,000. The stock offered was taken up, and, also, a further issue of \$2,000,000 in 1869.

For many years the success of the Bank was very great and numerous branches were opened in various parts of the Dominion, which added greatly to the general business done. The ordinary net profits on each year's operations were 12½ per cent., eight per cent. dividends were paid and the balance added to the Rest. The Report of 1873 showed a paid-up capital of \$6,946,280, a Rest of \$1,700,000, and a net profit of \$753,712.65. Although the mercantile community met with a severe check in 1874, the Merchants Bank made a net profit of \$940,968, and paid its shareholders a dividend of nine per cent. In 1875 the Report gave a paid-up capital of \$8,102,046.67, a Rest of \$1,850,000, and a net profit of \$834,202.84, which allowed a dividend of nine per cent. A period of depression set in about the banking year 1874-5, which continued for six years. The Bank made heavy losses during this period, and confidence was much shaken.

During the year 1876-77, the General Manager, Mr. Jackson Rae, resigned his position, and Sir Hugh Allan vacated the President's chair. The Hon. John Hamilton was elected President, and the Directors had to cast about for the best possible Manager to meet the emergency. Fortunately for the Directors and shareholders, the man they needed was available, and Mr. George Hague, formerly Cashier of the Bank of Toronto, accepted the position. He had learned his business in England and learned it well before he came to Canada in 1854. His first banking posi-

tion here was that of Accountant in the recently formed Bank of Toronto. Then followed the Managership of a branch, and that of the head office and the institution generally during a term of fourteen years. On his taking charge of the Merchants Bank a new policy was promptly inaugurated, which included the cutting down the number of branches, and a well-organized system of inspection. A careful survey of the position by the new Manager and a Committee of the Directors showed that the Capital Account had to be reduced to about five and a half millions, and the Contingent Fund to \$750,000. In this dissection nothing was spared, everything doubtful was written off, and the institution placed upon a sound basis. Public confidence soon came to the help of the Management, and the re-organization resulted in a better system of business, with the result that dividends of six and seven per cent. were paid. By the Report of 1878 the paid-up capital was shown to be \$5,461,790, the Rest \$475,000, the Contingent Fund \$530,000, and the dividend for the year was seven per cent. on the capital.

The subscribed capital at this time was \$6,000,000, and the remaining instalments after 1878 were gradually called in, until the amount paid up equalled the amount subscribed, viz., \$6,000,000. The business and profits of the Bank thereafter steadily increased, and dividends of 7 per cent. were regularly paid. The Rest also steadily increased and amounted in 1883 to \$1,150,000; in 1889, to \$2,135,000; in 1895, to \$3,000,000. When the Rest attained the latter sum (being half of the capital) the dividend was increased to 8 per cent., at which, with the Rest at \$3,000,000, it is still maintained. In the year 1882 Sir Hugh Allan was again elected President. He shortly afterwards died suddenly in Scotland, and Mr. Andrew Allan, his brother, was chosen to fill the vacant post, and has retained it ever since.

In 1897 Mr. Thomas Fyshe, Cashier of the Bank of Nova Scotia for many years, became associated with Mr. Hague in the General Management. During the same year the following Directors were elected: Mr. Andrew Allan, President; Mr. Hector Mackenzie, Vice-President; and Messrs. Jonathon Hodgson, John Cas-

sills, H. Montagu Allan, J. P. Dawes, Robert Mackay, of Montreal, Mr. T. H. Dunn of Quebec, and Mr. Thomas Long of Toronto.

It is interesting to note here the organization of a somewhat peculiar institution, which retained its early characteristics until its suspension in 1894. The French-Canadian banking firm of Viger, DeWitt et Cie began business in 1833. It was a co-partnership composed of some twelve principal partners or members, and an indefinite number of *commanditaires* or partners in *commandam*. Of the principal partners was required a considerable contribution of capital in each case; in them exclusively was vested the management of the bank; and against them was a joint and several liability for all the debts of the bank. The *commanditaires* had no voice in the management of the bank, were exempt from any liability beyond the amount of their subscribed stock, and were entitled to dividends on their contributions of paid-up capital at the same rate as the principal partners. Concerning this institution Lord Durham remarked in his famous Report: "The establishment of the Banque du Peuple by French capitalists is an event which may be regarded as a satisfactory indication of an awakening commercial energy among the French, and it is, therefore, very much to be regretted that the success of the new enterprise was uniformly promoted by direct and illiberal appeals to the national feelings of the race." The firm was incorporated in 1844 as La Banque du Peuple with an authorized stock of £200,000.

The incorporators and original promoters were the Hon. L. M. Viger, Jacob DeWitt, Pierre Beaubien, Augustin Tulloch, Hosea Ballou Smith, Romwald Trudeau, Pierre Jodoin, A. E. Montmarquet and others. The institution during its half century of existence had the following Presidents: Hon. L. M. Viger, Jacob DeWitt, H. F. A. Quesnel, H. B. Smith, John Pratt, C. S. Cherrier, Q.C., and Jacques Grenier.

The Cashiers included M. Letoumeux, B. H. Lemoine, A. A. Trottier and J. S. Bousquet. The statement of this Bank, on March 1st, 1893, the year before suspension and liquidation, showed annual net profits of \$155,220 upon a paid-up capital of \$1,200,000; a circulation of \$752,446;

deposits amounting to \$5,362,766; a Reserve Fund of \$550,000; call and short loans on stocks and bonds of \$1,230,301; current loans and discounts of \$5,703,932. It is interesting to note that during the eight years preceding suspension, 1885-93, the circulation of the Bank increased by \$450,000, its deposits by over \$4,000,000, and its loans by \$4,200,000.

The Canadian Bank of Commerce, which ranks in relation to its capital as one of the chief financial institutions of the Dominion, was established in 1867, the first Directors being the Hon. William McMaster, President; H. S. Howland, Vice-President; James Austin, William Elliott, T. Sutherland Stayner, and John Taylor. The promoters had purchased the charter of the Bank of Canada, which had been obtained in 1858 from the Legislative Assembly of that time by a number of prominent men including the Hon. William Cayley, Hon. Joseph Curran Morrison, Angus Morrison, Q.C., Hon. John Ross, Hon. Henry J. Boulton, and Lieut.-Colonel F. W. Cumberland. For various reasons it had never become operative and the name was now changed to that of the Canadian Bank of Commerce (29-30 Vict. Cap. 87-8). The paid-up capital of the new institution at the close of the first year was \$916,359, and the Rest \$40,000. Since that date the capital has increased as follows:

1869.....	\$1,408,875
1870.....	2,036,765
1871.....	3,193,000
1872.....	4,748,334
1873.....	5,875,273
1874.....	6,000,000

It now stands at the latter figure, the Reserve Fund amounting to \$1,000,000. In 1870 the amalgamation of the Gore Bank and the Canadian Bank of Commerce was effected. The former institution had been established at Hamilton as early as 1833, and up to the time of the failure of the Bank of Upper Canada in 1866 had enjoyed a fairly prosperous career. But the necessity of transferring its somewhat heavy Montreal account to the Commercial Bank, which in the succeeding year was incorporated with the Merchants Bank of Canada, caused embarrassment to the Hamilton institution, and between June, 1867, and

June, 1868, its deposits were reduced by \$76,000 and its circulation by over \$330,000. The Bank of Montreal and some of the Ontario banks advanced \$350,000 for its help, and in June, 1869, its stock was reduced by Act of Parliament. The Bank was still solvent, but the shareholders decided in August of the same year to accept an offer from the Canadian Bank of Commerce of fifty-five cents on the dollar upon their paid-up stock in shares of the Commerce worth \$1.05½. Thus disappeared the last of the banks chartered by Upper Canada. This change naturally increased the business of the amalgamated institution very largely. Branches were opened or maintained at points where the Gore Bank had operated, and elsewhere, until the total number amounted in 1897 to forty-six. The Presidents of the Canadian Bank of Commerce since its inception have included the Hon. William McMaster from 1867 to 1886; Mr. Henry W. Darling from 1886 to 1890; and the Hon. George A. Cox from 1890 to the present time. The General Managers have been: Mr. A. Greer, 1867-68; Mr. R. J. Dallas, 1868-70; Mr. Henry S. Strathy, 1870-73; Mr. W. N. Anderson, 1873-86; and Mr. Byron E. Walker, from the latter date to the present.

**Details concerning Canadian banking history** might be extended almost indefinitely. The Niagara District Bank was incorporated at the request of the Hon. James Morris, the Hon. John Sandfield Macdonald—afterwards Premier of Ontario—the Hon. John Ross, the Hon. Hamilton H. Killaly, the Hon. William Hamilton Merritt, Thomas Clarke Street, James Benson, John Arnold, J. P. Merritt, Thomas R. Merritt, Nehemiah Merritt and William Mattice. Its capital stock was £250,000. In 1875 the institution was amalgamated with the newly formed Imperial Bank

of Canada under the management of Mr. D. R. Wilkie who has since been chiefly instrumental in bringing the institution into its present strong position. Like Mr. Wilkie in connection with the Imperial Bank, Mr. Hague with the Merchants' Bank, and Mr. Fyshe with that of Nova Scotia, the late Mr. R. H. Bethune was the chief moulding influence in connection with the rise and progress of the Dominion Bank, which now possesses a reserve fund equal to its capital, and an unusual measure of public credit. He took charge of its affairs at the incorporation of the bank in 1871 and managed them until his death in March, 1897. During the year 1855 two other banks were organized, which are still in existence (1897). The first was the Eastern Townships Bank, which included amongst its promoters and incorporators Benjamin Pomeroy, Duncan McDonald, George F. Bowen, L. E. Morais, Albert P. Ball, Sir A. T. Galt, Hon. John S. Sanborn and others, chiefly of Sherbrooke in Lower Canada. The second was the Bank of Toronto, which commenced business with a capital stock of \$500,000—of which \$27,435 was paid-up. Its chief incorporators were William Gamble, Sir William P. Howland, John Brunskill, George P. Dickson, W. R. Wadsworth, Abraham Reesor, John W. Gamble, John Proudfoot, Ebenezer Perry, Gooderham & Worts, T. R. Merritt, and Hon. T. N. Gibbs. Mr. J. G. Chewett was its first President, and his successor for many years was the late William Gooderham. The Ontario Bank has had various financial, and even political, fluctuations. It was chartered in 1857 by the Hon. John Simpson, Edward J. Burton, John Milne, John Burk, David Fisher, John McClung, F. F. McArthur, William McMurtry, the Hon. T. N. Gibbs and others in Bowmanville, and vicinity. Mr. David Fisher was Cashier for many years.

## THE CANADIAN AND AMERICAN BANKING SYSTEMS

BY

BYRON E. WALKER, F.G.S.

IN common with other social developments modern banking is mainly the result of heredity and environment, and not of arbitrary legislation or the general admission in any wide degree of settled principles in the practice of banking. A student endeavouring to understand the science of banking or seeking to discover some body of principles underlying the practice of banking throughout the world, is confused by the radical differences between the systems of the various nations and the complicated nature of the conditions surrounding each of these systems. The most cherished dogma of one country is rank heresy in another. The principles suitable to an old country, with a compact population, a highly developed railroad and telegraph organization for the distribution of commodities, and information and wealth enough to belenders to other nations, are not applicable to a new country with a scattered population, imperfect means of distribution, and little wealth apart from fixed property—a country indeed, requiring to borrow largely from older and wealthier communities.

Again, if in any country banking has been left to develop itself in accordance alone with the requirements of trade, or nearly so, that country has been fortunate in this respect as compared with others where the national debt, caused by war or extravagances in public works, has been made the basis of the currency. Sometimes, however, the condition of the present environment in two countries may be in many respects similar, and yet a practice in banking which has worked out desirable results in one of those countries cannot be attempted in the other. The body of banking principles in the other country may be so different, because of hereditary influences, as to make it impossible by any kind of evolution to add the practice which has proved so serviceable elsewhere.

It has been occasionally urged by writers in financial journals published in the American Republic that banking in Canada is a monopoly, and therefore unsuited to the democratic principles of the United States. These writers have overlooked the fact that the Province of Ontario, the centre of progress and thought in the Dominion, is the most democratic community in the British Empire, and that the legislation of Canada, whether in form or not, is in reality as liberal as it well can be. Banking in Canada is not in any sense a monopoly. Whether it can be said to be "free banking," as understood in the United States, depends on what is meant by that term. In the United States a certain number of individuals having complied with certain requirements—more numerous and more complicated, by the way, than the Canadian requirements—become thereby an incorporated bank, if we regard the consent of the Comptroller of Currency as a matter of form. In Canada, merely in order to follow the British Parliamentary methods, when a certain number of individuals have complied with certain requirements, they are supposed to have applied for a charter, which Parliament theoretically might refuse, but which as a matter of fact would not be refused unless doubt existed as to the *bona fide* character of the proposed bank. Then, as in the United States, on complying with certain other requirements and obtaining consent of the Treasury Board (performing in this case the same function as the Comptroller of Currency in the United States) the bank is ready for business.

The main difference in the matter of obtaining the privilege from the people to carry on the business of banking is that in Canada the subscribed capital must be \$500,000 paid up to the extent of one-half, or \$250,000; and this fact must be proved by the temporary deposit of the actual money with the Treasury Department. If

it is contended that a monopolistic element is introduced by making the minimum paid-up capital \$250,000, I have only to point to the varying minimum of capital in the U. S. National banking system, based upon the population of the city or town where a bank is established. The minimum with us is placed so high because with the privilege to carry on the business of banking is attached the privilege to open branches and to issue a bank-note currency not secured by special pledge with the Government. In the opinion of many Canadians the minimum is too small. So much for the statement that banking is less "free" in Canada than in the United States. I think the term "free banking," about which so much was written in the ante-bellum days, is a misnomer, and I hope there are many in the United States who agree with me that a little less freedom in the ability to create a bank and a little more knowledge on the part of the people regarding the true function of banking and its high place in the world of commerce would be for the public good. What is wanted is the most absolute evidence, when a bank is created, that its projectors are embarking in a *bona fide* venture, and have put at risk a sum considerable enough to ensure that fact.

In Canada, as in the United States, shareholders in banks are subject to what is known as "double liability." For the benefit of any who may not understand the phrase, I will quote the section in full: "In the event of the property and assets of the bank being insufficient to pay its debts and liabilities, each shareholder of the bank shall be liable for the deficiency to an amount equal to the par value of the shares held by him, in addition to any amount not paid up on such shares." I can remember when the practical value of this power to call on the shareholders, in the event of the failure of a bank, for a second payment to the extent of the subscribed amount of the shares was doubted by many. Shares were transferred just before failure to men unable to meet such calls and willing to be used in this manner, or shares were found to be held by men of straw who owed a corresponding amount to the bank. Or, again, many of the shareholders were borrowers for amounts far in excess of their holdings in shares, and the failure of the bank

precipitated their failure as well, and they were thus unable to pay. Of course there were always some real investors amongst the shareholders, but the value of the double liability was a very variable and doubtful quantity. These features have not, as we know, all passed away, but we have done as much as we could to guarantee an honest share list, and to prevent the shareholder from escaping his liability.

Banks are not allowed to lend money on their own or the stock of any other Canadian bank, and as the minimum paid-up capital of \$250,000 must be deposited with the Finance Department before a bank commences business, this should insure an honest capital at the start. All transfers of shares must be accepted by the transferee. No transfers within sixty days before the failure avoid the double liability of the transferrer unless the transferee is able to pay. A list of the shareholders in all banks is published annually by the Government, and this book is eagerly examined by investors to ascertain changes in the share list of banks which might indicate distrust. As the capital of each bank is large, and the number of banks small relatively to the United States, there is, regarding everything connected with the credit of a Canadian bank, an amount of public scrutiny which leads to circumspection in the conduct of bank authorities. Again, the very fact that the capital is large and that the banks have many branches, and a more or less national character, causes the stock to be widely held. In the largest banks the share lists number from 1,800 to 2,000 names. We still, doubtless, have plenty of bad banking, and will always have it. No legislative checks will prevent that, and even a severe public scrutiny will not altogether prevent it, but our banking history since the Confederation of the old Provinces into the Dominion in 1867, shows that the double liability has been a most substantial asset, and has done much towards enabling liquidated banks to pay in full. In the Province of Ontario we have the fine record of no instance, save one, since Confederation in which all creditors have not been paid in full. In the case of this one blemish the dividends amounted to 99½ cents to depositors, only the unwarrantably high fees paid to the liquidators causing the dividend to fall below 100 cents. In the short

life of this institution almost every sin in the calendar of banking had been committed.

Under the United States National banking system the life of a bank is limited to twenty years from the date of the execution of the particular bank's certificate of organization, but at the expiration of the first, or any succeeding period, the bank, if it elects to do so, may have its corporate existence renewed for the same number of years. Under the Canadian system the charter of every bank expires at the same time, and the renewal period is only ten years. I do not intend to discuss the length of the period—most of us think it quite too short. It is the effect of all charters expiring at the same time to which I desire to draw attention. This condition of things doubtless arose merely from the Provinces having granted the existing charters before Confederation in 1867, and having then surrendered their authority over banking institutions to the Federal Government. As the charters granted by the old Provinces expired, the banks working under them became institutions subject to the new Federal or Dominion Banking Act, and by its conditions every charter expires at the same time. This ensures a complete discussion of the principles underlying the Act, and of the details connected with the working of it, once in ten years. In the interval we are almost free from attempts by demagogues or ambitious but ill-informed legislators to interfere with the details of our system, although during the session of Parliament preceding the date of expiry of the charters we have to defend our system from the demagogue, the bank-hater, the honest but inexperienced citizen who writes letters to the press, sometimes from the press itself, indeed from all the sources of attack which institutions possessing a franchise granted by the people experience when they come before the public to answer for their stewardship.

But, while resisting the attacks of ignorance, we are, of course, called upon to answer such just criticism as may arise from the existence of defects in our system developed by the experiences of time. Or, perhaps, as when the Act was under discussion in 1890, we may see the defects even more clearly than the public, and may ourselves suggest the remedies. Whatever may be

said for or against these decennial battles, the product of the discussion is a Banking Act, improved in many respects by the exchange of opinion between the bankers and the public. The Canadian banking system having been subjected to unsparing analysis by an unusually enlightened people—perhaps too democratic in tendency and too jealous of every privilege granted, but anxious to build rather than destroy—is brought at each period of renewal to a higher degree of perfection.

*Banking principles.* What then is necessary in a banking system in order that it may answer the requirements of a rapidly growing country and yet be safe and profitable?

1. It should create a currency free from doubt as to value, readily convertible into specie, and answering in volume to the requirements of trade. In saying this I do not wish to be understood as asserting that banks should necessarily enjoy the right to issue notes. Whether they should or should not issue notes must always, I presume, end in a discussion as to expediency in the particular country or banking system.

2. It should possess the machinery necessary to distribute money over the whole area of the country, so that the smallest possible inequalities in the rate of interest will result.

3. It should supply the legitimate wants of the borrower, not merely under ordinary circumstances, but in times of financial stress, at least without that curtailment which leads to abnormal rates of interest and to failures.

4. It should afford the greatest possible measure of safety to the depositor.

I think, in Canada, that our system possesses all these qualities, and that the people are confident that we have a currency perfectly suited to our trade and other requirements. We have not, however, arrived at the present reasonably comfortable condition by any other process than the usual slow development from a past full enough of error and bitter experience.

*Note Issues.* In the successive banking acts of the Dominion Parliament banks have been empowered to issue circulating notes to the extent of the unimpaired paid-up capital. By the first Act the note-holders had no greater security than the depositors and other creditors. At the renewal



of charters in 1880, the circulating note was made a prior lien upon all assets; and at the last renewal, in 1890, the banks, at their own suggestion, were in addition required to create in two years a guarantee fund of five per cent. upon their circulation, to be kept unimpaired, the annual contribution, however, if the fund is depleted, to be limited to one per cent. The fund is to be used whenever the liquidator of a failed bank is unable to redeem note-issues in full after a lapse of sixty days. Notes of insolvent banks are to bear six per cent. interest from the date of suspension, until the liquidator announces his ability to redeem. Banks are also required to make arrangements for the redemption at par of their notes in the chief commercial cities in each of the Provinces of the Dominion.

The change in 1880, was caused by the failure of a small bank with a circulation of about \$125,000, paying all creditors, noteholders included, only 57½ per cent. The change in the Act now in force, was due to the demand for a currency which would pass over the entire Dominion without discount under any circumstances. The history of banking in Canada since Confederation shows no instance in which a depletion of such a guarantee fund would have occurred. Fines from \$1,000 to \$100,000 may be imposed for the over-issue of notes. The pledging of notes as security for a debt, or the fraudulent issue of notes in any shape, renders all parties participating liable to fine and imprisonment. As the Crown prerogative of payment in priority to other creditors had been set up on behalf of both Dominion and Provincial Governments, the Act places the claims of the Dominion second to the note issues, and those of the Provinces third. Notes of a lesser denomination than \$5 may not be issued, and all notes must be multiples of \$5. Notes smaller than \$5 are issued by the Dominion government. The distinctive features of these bank note issues are:

(a). They are not secured by the pledge or special deposit with the government of bonds or other securities, but are simply credit instruments based upon the general assets of the bank issuing them.

(b) In order that they may be not less secure than notes issued against bonds deposited with

the Government they are made a first charge upon the assets.

(c). To avoid discount for geographical reasons each bank is obliged to arrange for the redemption of its notes in the commercial centres throughout the Dominion.

(d). To avoid discount at the moment of the suspension of a bank, either because of delay in payment of note issues by the liquidator, or of doubt as to ultimate payment, each bank is obliged to keep in the hands of the Government a deposit equal to five per cent. on its average



Byron E. Walker.

circulation, the average being taken from the maximum circulation of each bank in each month of the year. This is called the Bank Circulation Redemption Fund, and should any liquidator fail to redeem the note of a failed bank recourse may be had to the entire fund if necessary. As a matter of fact liquidators almost invariably are able to redeem the note issues as they are presented, but in order that all solvent banks may accept, without loss, the notes of an insolvent bank, these notes bear six per cent. interest from



the dates of suspension to the date of the liquidator's announcement that he is ready to redeem.

*Elasticity of Currency.* I have already stated in attempting to outline what is necessary in a banking system in order that it may answer the requirements of a rapidly growing country, that "it should create a currency free from doubt as to value, readily convertible into specie, and answering in volume to the requirements of trade." In an admirable paper on "The Note Circulation" read in December, 1889, before the Institute of Bankers in London, England, by Mr. Inglis Palgrave, only two requisites in a note circulation are directly stated as essential: "First, that it should be completely secured. Second, that it should be readily convertible into metallic money." But the discussion which follows bears directly upon a third requisite; that it should answer in volume to the fluctuating requirements of trade—in a word that it should be elastic. This last is a much less important point, however, in England than in North America.

In referring to bank issues I will reverse the order in which the three requirements are placed in Mr. Palgrave's paper, and take up the question of elasticity first. I shall not attempt to discuss the many and conflicting views held regarding paper money, its use and abuse, and whether there is any scientific basis for its issue. In Canada as in the United States, the resulting difference in business transactions, after cheques and all other modern instruments of credit have been used, is almost entirely paid in paper money. It is therefore of the greatest importance that the amount of this paper money existing at one time shall be as nearly as possible just sufficient for the purpose. That is, that there shall be a power to issue such money when it is required, and also a power which forces it back for redemption when it is not required.

I may, therefore, safely lay it down as a principle that: (1) There should be as complete a relation as possible between the currency requirements of trade and whatever are the causes which bring about the issue of paper money. (2) As it is quite as evident that no over-issue should be possible as that the supply of currency should be adequate, there should be a similar relation between the requirements of trade and the causes

which force notes back for redemption. Now, certainly one of the causes of the issue of bank notes is the profit to be derived therefrom, and it is clear that an amount sufficient for the needs of trade will not be issued unless it is profitable to issue. Likewise it is clear that it should not be possible to keep notes out for the sake of the profit if they are not needed.

In Canada, bank notes, as we have seen, are secured by a first lien upon the entire assets of the bank, including the double liability, the security being general and not special—not by the deposit of government bonds, for instance, as in the United States. Therefore it is clear that it will always pay Canadian banks to issue currency when trade demands it. Because bank notes in Canada are issued against the general estate of the bank, they are subject to daily actual redemption; and no bank dares to issue notes without reference to its power to redeem, any more than a solvent merchant dares to give promissory notes without reference to his ability to pay. The presentation for actual redemption of every note not required for purposes of trade is assured by the fact that every bank seeks by the activity of its own business to keep out its own notes, and therefore sends back daily for redemption the notes of all other banks. This great feature in our system, as compared with the National Banking system of the Republic, is generally overlooked, but it is because of this daily actual redemption that we have never had any serious inflation of our currency, if, indeed, there has ever been any inflation at all. Trade, of course becomes inflated, and the currency will follow trade, but that is a very different thing from the existence in a country of a great volume of paper money not required by trade.

I will not discuss at length this quality of elasticity in our system, because it is generally admitted. But some one may claim that a similar quality might be given to a currency secured by Government bonds, and I desire to make it clear that such elasticity as is required in both Canada and the United States is impossible with a currency secured by Government bonds. In the older countries of the world it may be sufficient if the volume of currency rises and falls with the general course of trade over a series of years, and

without reference to the fluctuations within the twelve months of the year. On this continent it is not enough that the volume of currency should rise and fall from year to year. In Canada we find that between the low average of the circulation during about eight months of each year and the maximum attained at the busiest period of the autumn and winter there is a difference of 20 per cent.—the movement upward in the autumn and downward in the spring being so sudden that without the power in the banks to issue additional notes in the autumn serious stringency would result, and without the force which brings about redemption in the spring there would be plethora. As a matter of fact, the system works automatically, and there is always enough and never too much.

*Bond-secured Currency.* If our currency were secured by government bonds, the volume in existence at any one time would be determined by the profit to be gained by the issue of such bond-secured currency. It would, therefore, be necessary to fix a maximum beyond which no currency could be issued, but as such an arbitrary limit would be mere legislative guess work, it would be productive of the evils incident to all efforts to curb natural laws by legislation. As we all know, when the National Bank charters were offered by the American Federal government to the State Banks the bonds of the United States bore five to six per cent. interest, and the business of issuing currency against such bonds was so profitable that a maximum such as I have referred to was fixed, with an elaborate provision stating how the banking charters were to be distributed as to area, in order that each state or section of country might have a fair share. This was followed by several adjustments, the last limit being \$354,000,000. But no one was satisfied with the interference with free banking, and the cry of monopoly was frequently heard. Subsequently the maximum was abandoned—indeed the business of issuing notes against government bonds had become unprofitable and there was no longer any fear of inflation.

The condition in the United States under which the issue of currency was unduly profitable, and the fear of inflation was present, did not actually last many years, but it lasted long enough to create in the people a hatred of banks, which has

not yet quite passed away. The condition which followed showed, it seems to me conclusively, the unsoundness of the system in the matter of providing an elastic currency, a currency at all times adequate in volume. The currency wants of the Republic increased with the great increase in population, but the volume of National Bank currency decreased because by the repayment of the national debt and the improvement in the national credit the bonds which remained outstanding yielded so low a rate of interest as to make the issue of National Bank notes unprofitable. If the government bond yields such a low rate of interest as to make it unprofitable to issue currency, banks will not provide sufficient currency for the wants of the country. It was indeed this unfortunate contraction which to a great degree made it possible for the Bland Act silver issues, from 1878 to 1890, to create so little financial disturbance.

I hope therefore it is clear that if the business of issuing currency against government bonds were profitable too much currency would be the result, and if it were unprofitable too little would be issued. We would require in Canada to have a condition of things under which the profit of issuing notes would at all times bear an exact relation to the amount of currency required by the country, the profit therefore changing not only as the currency rises and falls over a series of years, but at the time of the sharp fluctuations within each year already referred to. No such relation, however, could very well exist with an issue based upon government bonds.

*Security.* My last point is that placed first by Mr. Palgrave in his discussion with the English bankers: "That the currency should be completely secured." I do not know whether we are to understand also that a note must pass throughout the entire country without discount for any reason, but I include that in the point to be discussed. Now, it is better, for the reasons given, that bank issues should be based for security on the general assets of the bank, with a prior lien to other creditors; and also, taking the world as a whole, such notes will be actually safer because the effect of a system of notes secured by government bonds—a loan forced by the government, practically—must sometimes be to produce

national bankruptcy, as in the case of the Argentine Republic. Still, I cheerfully admit that the United States National banking system has taught us that a currency issued by banks may be made to pass over the entire area of a great nation without discount. This is a great quality in currency. To the ordinary individual, who knows and cares little about banking except as it affects the bank note he happens to carry in his pocket, it appears to be the one quality necessary.

In Canada, experience has shown that as long as the notes are a prior lien on the assets of the bank, including the double liability, ultimate loss is scarcely possible—has not, at all events, occurred as yet. To secure a circulation, at the close of December, 1895, of \$30,807,041, the banks had assets of \$316,536,510, to which the double liability of \$61,800,700 is to be added, making a total of \$378,337,210, or twelve dollars of assets against every dollar of currency. It has been pointed out, however, that the assets are not thus aggregated against the circulation, and that all banks are not as secure as these figures seem to show. But the security in this respect, in regard to each bank, varies little from the general average, the lowest percentage being \$6.18, as against the general average of \$12. The lowest percentage applies to but two or three small banks, none others falling below about \$8 for every dollar of circulation. To this I have added the 5 per cent. guarantee fund applicable in its entirety to meet the notes of any individual bank.

*The Branch System.* In discussing the banking systems in older countries, the borrower is not often considered. Men must borrow where and how they can, and pay as much or as little for the money as circumstances require. I believe too strongly in the necessity for an absolute performance of engagements to think that it is a requirement in any banking system that it shall make the path of the debtor easy. Every banker should discourage debt, and keep before the borrower the fact that he who borrows must pay or go to the wall. But on this continent the debtor class is apt to make itself heard, and I wish to show what our branch system does for the worthy borrower, as compared with the United States National Banking system.

In a country where the money accumulated

each year by the people's savings does not exceed the money required for new business ventures, it is plain that the system of banking which most completely gathers up these savings and places them at the disposal of the borrowers is the best. It is to be remembered that this involves the savings of one slow-going community being applied to another community where the enterprise is out of proportion to the money at command in that locality. Now, in Canada, with banks having forty and fifty branches, we see the deposits of the saving communities applied directly to the country's new enterprises in a manner nearly perfect. The Bank of Montreal borrows money from depositors at Halifax and many points in the Maritime Provinces, where the savings largely exceed the new enterprises, and it lends money in Vancouver or in the North-West, where the new enterprises far exceed the people's savings. My own bank in the same manner gathers deposits in the quiet, unenterprising parts of Ontario and lends the money in the enterprising localities, the whole result being that forty or fifty business centres, in no case having an exact equilibrium of deposits and loans, are able to balance the excess or deficiency of capital. While the bank economizes every dollar, the depositor obtains a fair rate of interest, and the borrower gets his money at a lower rate than borrowers in any of the other colonies of Great Britain, and at a lower rate than in the United States, except in the greater cities in the east. So perfectly is this distribution of capital made that as between the highest class borrower in Montreal or Toronto, and the ordinary merchant in the North-West, the difference in interest paid is not more than one or two per cent.

In the United States banks have no branches. There are banks in New York and the east seeking investment for their money, and refusing to allow any interest because there are not sufficient borrowers to take up their deposits, and there are banks in the west and south which cannot begin to supply their borrowing customers because they have only the money of the immediate locality at their command, and have no direct access to the money in the east which is so eagerly seeking investment. To avoid a difficulty which would otherwise be unbearable the western and southern

banks sometimes re-discount their customers, notes with banks in the east, while many of their customers not being able to rely on them for assistance, are forced to float paper through eastern note brokers. But, of course, the western and southern banks wanting money, and the eastern banks having it, cannot come together by chance, and there is no machinery for bringing them together. So it follows that a Boston bank may be anxiously looking for investments at four or five per cent., while in some rich western state ten and even twelve per cent. is being paid. These are extreme cases, but I have quoted an extreme case in Canada, where the capital marches automatically across the continent to find the borrower, and the extra interest obtained scarcely pays the loss of time it would take to send it so far were the machinery not so perfect.

*The Depositor.* The legal position of the depositor is about the same in both countries. The note-holder's claim is preferred in Canada. We must not, however, expect that any Government will relieve a depositor from the necessity of using discretion as to where he places his money. Governments never have done and never can do that. Men must look around and, after measuring the security offered, judge where they should entrust their money. It is perhaps easier for a man with limited intelligence to make a selection if the banks have large capital, as in the Dominion, and are of semi-national importance, provided, of course, that the basis of the system is not unsound, as in Italy and Australia. In Canada we do not borrow from abroad, although we would not object to do so if money could be obtained at low enough rates of interest—our banks having large capital and small deposits relatively—and we do not lend on real estate. The official figures on June 30th of 1895 show that before Canadian depositors having claims amounting to \$180,600,000 can suffer, shareholders must lose in paid-up stock and double liability as much as \$123,400,000 and \$27,000,000 of surplus funds—in all \$150,400,000. There is probably no country in the world where greater security is offered to depositors than in Canada.

As I have indicated, it should be the object of every country to economize credit, to economize

the money of the country so that every borrower with adequate security can be reached by some one able to lend, and the machinery for doing this has always been recognized in Canadian banks. That is surely not a perfect system of banking under which the surplus money in every unenterprising community has a tendency to stay there, while the surplus money required by an enterprising community has to be sought at a distance. But if by paying a higher rate of interest, and seeking diligently, it could always be found, the position would not be so bad. The fact is that when it is most wanted distrust is at its height, and the cautious eastern banker in the United States buttons up his pocket. When there is no inducement to avert trouble to a community by supplying its wants in time of financial stress there is no inclination to do so. The American banks, east or west, are not apt to have a very large sense of responsibility for the welfare of the country as a whole, or for any considerable portion of it. But the banks in Canada, with thirty, forty, or fifty branches, with interests which it is no exaggeration to describe as national, cannot be idle or indifferent in time of trouble, cannot turn a deaf ear to the legitimate wants of the farmer in the prairie provinces any more than to the wealthy merchant and manufacturer in the east. Their business is to gather up the wealth of a nation, not a town or city, and to supply the borrowing wants of a nation.

There was a time in Canada, about twenty years ago, when some people thought that in every town a bank, no matter how small, provided it had no branches, and had its owners resident in the neighbourhood, was a greater help in the town than the branch of a large and powerful bank. In those days, perhaps, the great banks were too autocratic, and had not been taught by competition to respect fully the wants of each community. If this feeling ever existed to any extent it has passed away. We are, in fact, in danger of the results of over competition. I do not know any country in the world so well supplied with banking facilities as Canada. The branch system not only enables every town of 1,000 or 1,200 people to have a joint stock bank, but to have a bank with a power behind it generally twenty to fifty times greater than such a bank as is found in towns of

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E. H. KING, PRESIDENT OF THE BANK OF MONTREAL, 1869-73.



similar size in the United States would have.

But one of the main features of the branch system is connected intimately with our power to issue notes based upon the general assets of the bank. When the statement of a large Canadian bank is examined by an American banker the comparatively small amount of actual cash is noticeable. He may notice that the bank is careful to have large assets in the United States which may be taken back to Canada in times of financial strain there, and large assets in convertible shape at home. But having regard to actual cash as the machinery for carrying on the business at the counter, he might enquire very naturally how a bank with forty or fifty branches could get along with so little cash. The simple answer is that the tills of the branches are filled with notes which are not money until they are issued, and which, therefore, save just that much idle capital, and just that much loss of interest.

When our charters were under discussion in 1890, I had occasion to defend our system, and have copied freely from a pamphlet written by me at that time. I must not, therefore, omit to repeat a statement made then, which might excite criticism more readily, now that the banking system of Australia has collapsed. In making a comparison between individual banks with small capital and banks with branches and large capital, I urged that:—"The probability of loss to the depositors in one bank with several millions of capital is less than the probability of loss to some of the depositors in ten or twenty small banks, having in the aggregate the same capital and deposits as the large bank."

The retort could be made that "if the large bank fails, the ruin will be so the much more widespread." This is quite true, but while it appears to be an answer to the point, it is not. If the conditions of two countries are about the same and the ability of the bankers and the principles of the banking system in other respects equally excellent, it must still remain true that the probability of loss to the depositors in one or more of the ten or twenty small banks is greater than the probability of loss to any of the depositors in the one large bank.

There are some features in our deposit business which present an interesting contrast to the

American system. There are perhaps not a half dozen savings banks, as the term is understood in the United States, in the whole of Canada, and those only in the largest cities, and there is really little need for the existence of any. The Government carries on the Post Office savings bank system, copied in some respects from Great Britain. It is unnecessary and unsuited to our country, but perhaps it affords the very ignorant a refuge from the dread of bank failures. The safeguards always necessary when a Government undertakes to carry on a regular business are so many and so tedious that the leading banks have not found it necessary to allow as high a rate of interest as the Government.

In addition to this, we have as competitors for deposits the companies authorized to lend on real estate. Most of those companies, however, now borrow only on debentures, at fixed periods. Some of this money is borrowed in Great Britain, but much of it is obtained at home. I may say also that while, as in the United States, banks have fortunately no power to lend on real estate, the restriction is perhaps not necessary now, as land banking and mercantile banking are clearly separated in the minds of every intelligent man of business in Canada. And, as Canadian banks do not buy paper made for the purpose of obtaining money, as is done in the United States, but loan only to their own customers, supplying their entire wants, and seeing that the money is to make or move some product about to be sold, we do not so often discover that we have unwittingly been booming a corner lot, building a mill, or helping to float a risky company.

*Bank Reserves.* If my paper were not already too lengthy, I would like to have discussed the question of reserves. In Canada, we hold with the majority of the banking world, outside of the United States, against fixed reserves. With us no reserves are actually required by law. The cash reserve in gold and legal tenders has averaged for some years about 10 per cent., but it will be remembered that our till money is almost entirely supplied by the bank note circulation. The smaller banks keep their available resources in securities, call loans at home, and balances with their bankers in Montreal and New York. The large banks, in addition to their securities and



call loans in Canada, lend largely on easily liquidated securities in the United States. The change making notes, those of denominations less than \$5.00, are issued by the Dominion Government. The settlements at the clearing-houses are made in legal tenders, special notes of large denominations being issued by the Government for the purpose. Forty per cent. or whatever cash reserve a bank may keep, must be in Dominion legal tenders—a provision entirely in the interest of the Government. It is no longer necessary, and is so unworthy of our otherwise creditable system that we must hope our Government will some day relieve us of such an unscientific requirement.

*Bank Inspection.* We have in Canada no public bank examiner as in the United States, nor are our annual statements audited as in Australia. When the audit system was proposed bankers resisted it because we felt that it pretended to protect the shareholders and creditors, but did not really do so, and if the audit did not really protect it seemed better that shareholders and creditors should not be lulled by imaginary safeguards, but be kept alert by the constant exercise of their own judgment. So far as we have ever discussed with the Government the question of public bank examiners, apart, of course, from denying the necessity for anything of the kind, we have confined our arguments to pointing out its impracticability when banks have many branches. This may in the minds of some constitute an argument against branch banking. I simply state the facts. But we say that, while it may be very well—if it really does lessen bank failures—to have public examiners for the protection of the people, it is much more necessary with branch banking to have bank examiners, or, as they are called in Canada, inspectors, on behalf of the executive of the bank. And this practice is growing in the United States, where everything is under one roof.

When it comes to the quality of the work done by our inspectors, I would not admit that anything could well be better. In my own bank it takes five trained men an entire year to make the round of the branches. Some of these officers devote themselves to the routine of the branches, verifying all cash, securities, bills, accounts, etc., testing the compliance of officers with every regulation of the bank, reporting on the character and skill of officers, etc., while the chiefs devote themselves to the higher matters, such as the quality of the bills under discount, loans against securities—indeed, the quality and value of every asset found at the branch. They also deal with the growth and profitability of the branch, its prospects, etc. Now all these matters have already passed the judgment of the branch manager, and the more important have been referred to and approved by the executive, so that it may be said that three different judgments are passed upon the business of the branch. But it will be said that the chief inspector may be under the sway of the executive, and his reports a mere echo of the opinion of the latter. This is quite true—the reports may be dishonest. We do not tell the public that the inspector is specially employed for its protection. He, like the general manager, is merely a part of the bank's machinery for conducting business, and the public is left to judge of the bank by its chief officers, its record in the past, its *entourage*.

Canadian banks make a very full return to the Government at the close of each month. These are published during the month, and are keenly discussed by the public. The Deputy Minister of Finance has the power to call for statements of any character at any time. In the larger banks the officers insure their fidelity by funds established within the bank. Many of the banks also have funds arranged for the superannuation of their officers.

**The "Free Banking System" in Canada** was a product of American contiguity and example. The relations existing between the Provinces and New York State in particular, after the abrogation of the British preferential arrangements in 1846, were very close, and there was an undoubted tendency in the years immediately following to regard the legislation of that State as having something to do with its apparent prosperity and credit. In 1849 Millard Fillmore, as Comptroller of New York, gave an emphatic utterance in favour of the free-banking policy, and this was followed by the adoption of laws drawn on the New York model in Massachusetts, Ohio, Vermont, Wisconsin and other American States.

As Mr. Breckenridge points out in this connection, Canadians overlooked the fact that in New York the free banking system had been established primarily as (1) an escape from the complete monopoly of banking, discount and deposit, as well as issue, conferred upon the chartered banks in 1818; and (2) a remedy for the shameless, corrupt and unendurable practice of regarding bank charters as spoils for the victorious party to deal out as rewards for partizan services. The chartered banks of Canada, on the other hand, enjoyed no exclusive privilege save in the function of issue. Even in that there was abundant competition. Nor was there then the suspicion even of corruption or partizanship in the distribution of bank charters. But in spite of the lack of analogous conditions, in spite of the fact that twenty-nine New York banks failed in the first five years of the law's operation, and that the special deposits of securities realized but 74 per cent. of the defaulted notes, a measure presented to the Canadian Assembly by the Hon. W. Hamilton Merritt in 1850 was modelled after the free banking laws of New York. Its objects are sufficiently described as (1) to provide for the establishment of small banks; (2) properly to secure their circulation; (3) to relieve, in part at least, the financial difficulties of the Government by widening the market for its securities, and at the same time so stimulating the demand as to raise their value. Of this plan and its origin Mr. B. E. Walker, in the "History of Banking in all Nations," states that:

"Anyone having the opportunity to examine

the correspondence of a Canadian bank at this time (1850) would at once realize how close were the trading and financial relations of Upper Canada and New York State—relations relatively much more important than now. The leading bankers of many of the large cities of the State were well known individually to leading bankers in Upper Canada, and apart from the mere routine of business, an extensive correspondence was carried on. In Canada the experiment was being tried of banks specially chartered, with large capital and branches, and with a circulation not specially secured. The banks had come through the trying times of 1847-8 without suspension or failure, but they did not open branches fast enough to satisfy the most enterprising of the business community; the Provincial Government was straitened financially, and the people had the common delusion that there was not enough money in circulation. In New York State, the opposite policy of banks with small capital, no branches, and a specially secured circulation was on trial, but the people of that State were so much more prosperous than the people of Canada, that it is not strange that many desired to try the banking system which had apparently contributed toward such good results. In consequence, a measure was passed entitled an "Act to Establish Freedom of Banking in this Province," etc., having for its object the creation, under a general act and not by special charter, of small banks without branches, with a circulation based upon the securities of the Province."

The failure of the system soon became evident so far as Canada was concerned; and on March 6th, 1857, the Hon. William Cayley introduced a measure for its discontinuance. For some reason or other, this was not pressed, and in 1860 the Hon. A. T. Galt again proposed its repeal. But his accompanying proposals were so far-reaching that action was again postponed, and it was not until 1866 that the policy was finally stamped a failure by Legislative enactment. William Hamilton Merritt continued his faith in the system, which he declared in 1857 to be "the best adopted in the world," and in 1863 the New York plan was accepted by the American Congress as the practical basis of their future (and present) National Banking System.

Six Canadian banks took advantage of the original Act, of which only the Bank of British North America and the Molsons Bank survive. They may have benefitted by its operation, but the others, after a brief period of struggle against

the competition and prestige of the chartered institutions, had to give way or obtain charters. The Zimmerman Bank was the first to go. It was founded in 1854 by the capitalist whose name it bore; and upon his death, three years later, it was re-christened the Bank of Clifton, and dragged on a somewhat uncertain existence until 1863, when its charter was repealed. The Bank of the Niagara District was by the Act of 1855 required to obtain subscription and payment of its million dollars of stock in five years. This period was extended in 1857 to 1861, and in the latter year to 1866. In 1863, however, the capital stock was reduced to \$400,000, and the institution succeeded fairly well until 1873, when severe losses, suffered through different failures, brought about its amalgamation with the Imperial Bank of Canada. The Provincial Bank and the Bank of the County of Elgin had a feeble existence under the Act, but by 1861 had practically disappeared from business. Sir Francis Hincks, who afterwards admitted the failure of this whole American policy in Canada, gave the following, in 1854, as the reasons for that result:

1. A large and not small increase of banking capital was needed.
2. There was not money enough in Canada to provide this.
3. It had to be obtained from outside the country, and English capitalists had no confidence in small and scattered institutions.

**The following is a very just reference to the Canadian System in its relation to that of the United States, and to the nature of its continuous evolution in the direction of improvement. The fact that this summary is written by an American author, Mr. R. M. Breckenridge, increases its value:**

"One of the strongest contrasts which this whole record presents to such a history of banking as that of the United States is in the continuity of the progress. There has been no recurring struggle to establish a great Government bank, no epidemic of wild-cat banking, no rejection of one system for experiment with another. A certain continuity, without doubt, can be discovered in any banking system. Men do not wholly break with the past or build on foundations entirely

new. But down to the present day Canadians have always held to the plan on which were framed the statutes governing their first banks. Additions have been made, new safeguards against public loss introduced, limits restraining corporate activity have been narrowed in some parts and widened in others, a few arrangements for the advantage of the Government have been attached, but never has there been a successful attempt to tear down the fair work of the first builders and out of the ruins construct anew.

When defects have appeared in its structure, Canadians have not forthwith condemned the heritage of the past, and petulantly, illogically, swept it away to make room for some new, untried affair, arranged on different lines. After study of the trouble they have endeavoured by some slight strengthening, some little alteration, to keep and enhance the certain benefits of what they already possessed. The present Bank Act is unquestionably better, more careful, more strongly and scientifically drawn than any previous legislation; the banking practice is more sound; the steady improvement, save with respect to investors' profits, is hardly less remarkable than the continuity discernible in its development; yet the economic character of the functions permitted the banks, and the methods of their fulfilment, are the same under the Dominion system of 1890 as under the Provincial charters of 1821."

Three forces appear to have had a beneficial influence in this conservative and preservative direction. 1st. Competition, by quickly exposing weak, careless, or untrustworthy management, has hastened the withdrawal, or loss, of imprudently invested capital, and by making the conditions of success more severe has immensely increased the necessity for vigilance, caution and care. Especially has this been seen in the requirements of daily settlements and the consequent necessity for assets which may be utilized to a considerable extent at a moment's notice. 2nd. The salutary effect of competition has been aided by the trenchant criticism which the increasing clearness and fulness of the monthly Return has facilitated—the criticism which may be expected in each case from other bankers, from business men and from the public. Popular sentiment has also become keenly sensitive to the defects which

bank failures may have exposed in the established system of safeguards. After such events as those in which the Mechanics' Bank, or the Central and London Banks figured, public demands for reform have been prompt, general and emphatic. 3rd. The action of the bankers, in their Association meetings, in general consultation, and at the time of the Bank Act revisions, has been apparently influenced by an honest appreciation of their own privileges; by a recollection of certain difficult experiences in times of depression and trouble; and by a desire to remove from the banking system every possible cause for popular dissatisfaction. Their own suggestions in the direction of improvement have been numerous, and their united efforts as individuals, and as representatives of their customers and shareholders, have been certainly productive of useful results. The popular appreciation of this fact, however, depends upon the approval felt for the general banking system which they have thus helped to preserve.

**An authoritative and valuable comparison** of the two systems was made on August 4th, 1893, by Mr. Walter Watson, Agent of the Bank of Montreal in New York, who has had large experience in both Canadian and American methods of banking. He stated that the banks of Canada are a handful, operating through dozens of branches in the Dominion and outside of it. The banks of the United States are legion, and not one has anywhere a branch properly so called. They have correspondents, but each correspondent has its own affairs to attend to, and is mainly looking after its own individual interests. A Canadian branch has but one interest to conserve—that of the bank to which it belongs. The three main advantages of this latter system he thought were: 1. The augmentation of capital by concentration. 2. The control of this capital by a single governing body. 3. The maintenance of immediate, direct, trustworthy and full information as to commercial and financial conditions at all points of operation.

"The importance of large capital in a bank no one doubts; the £125,000,000 sterling of the Bank of England speaks for itself as a factor in the immense influence of that institution. Nor can it be questioned that large resources under one control can be better applied to safeguard

the financial situation when stringency sets in and panic threatens than can equal resources under a number, and especially under a great number of separate controls. It may be said that it depends upon the quality of the single control, and so it does; but such control is not likely to come into incapable hands; the tendency of vast banking institutions is into the most capable and at the same time the most conservative hands, as the example of the Bank of England illustrates. The third advantage inherent in the branch system—the furnishing of constant and trustworthy information from all parts of the field to the single governing body responsible for the direction and conservation of great capital—though last, is by no means least."

American experience especially illustrates how important this point is. Dozens of the minor banks went under in the crash of 1893 largely because they did not know what was going on outside of their city or town. They perished through isolation and ignorance. Had the Canadian system prevailed in the United States, these banks would have been branches of a few large banks centred in the main cities of the State of the Republic, and chiefly in New York. This would have insured to each of these branches the benefit of all the knowledge of conditions gathered by the parent bank from all its branches; guidance from the main office in the light of this intelligence; and finally, the active support of the entire resources of the institution in any moment of danger—support which the close-knit organization of the ramifying bank would have enabled the governing body to give with the utmost promptness at the right moment.

"The Canadian system," declared Mr. Watson, "ought to be adopted in the United States. There ought to be in New York a great bank, with a capital of at least \$100,000,000, and with branches in every important city in the States. Its influence would be speedily felt. However, I do not expect to see our system adopted here, because there are too many men in the United States who want to be at the head of a bank. There is not sufficient willingness to serve."

**Mr. Arthur Weir, of La Banque Ville Marie** and a well-known financial writer in Montreal, has made the following reference to the United States

monetary system as compared with the Canadian —August 23th, 1896:

"The first point that will strike the reader is the unyielding basis of the United States currency. It is inelastic. Whatever the currency, it will be seen that the security held against it is not permitted freedom of action, whether the notes be in circulation or not. The National Banks cannot readily dispose of their bond-holding, though their notes may be lying in their vaults in idleness. The money paid for the bond is withdrawn from banking use. If, on the other hand, there is a brisk demand for money, the banks may almost as well lend out Government currency or gold as invest it in bonds to purchase the right to issue notes of their own. In other words, whether the demand for accommodation be active or dull, the volume of money remains practically unaltered. Therefore, rates of interest must advance in busy times, while at other times the borrower must pay a rate rendered high by the amount of money lying idle and unproductive. Further, to add to the expensiveness of money in the United States, the banks are compelled by law to hold money idle against from fifteen to twenty-five per cent. of their deposits. When United States bonds were selling below par and carried high rates of interest, the National Banks profited by their circulation. Since the bonds went above par and interest was reduced there is little or no profit. National Bank circulation went down \$200,000,000 between 1884 and 1890, notwithstanding prosperous times, on this account. At present prices (1896) of bonds, a bank has to invest \$1.20 against every \$1.00 of its note issue. The bonds, of course, bear interest."

**On August 16th, 1893, in the columns of the Montreal Star, Mr. W. Weir, President of La Banque Ville Marie, addressed an open letter to the President and members of the United States Congress. He compared the Canadian and American banking systems greatly to the advantage of the former. The following remarks are noteworthy:**

"It is a remarkable fact that the United States, which has ever been distinguished for the readiness with which it adopts all kinds of improvements in industrial pursuits, clings to a system of

banking under which no other country that I know of could carry on its business. Your National Bank Act, originated under entirely different conditions, is now wholly unsuited to the requirements of your commerce of to-day. The basis of your bank currency is being continually contracted, while your business calls for continual expansion, and even if there were no Sherman Act and no Free Coinage Act to disturb your finances, the very cast-iron and non-elastic nature of your banking system would periodically create a scarcity of money whenever the demands of the West or of the South called for currency to handle their crop.

I am aware that in the memory of the people of the United States painful recollections of the insecure character of the old State Bank currency still linger. But the example of Canada, a much poorer country, should be sufficient to satisfy your people that a more elastic note circulation can, by prudent safeguards, be made perfectly secure. Canada, under her admirable banking system, experiences no extra pressure when currency is required to handle her crops. The bank circulation expands, and there is no strain upon the resources of the banks to buy bonds on which to base the circulation. In fact, the greater the demand for currency the easier the money market, and as the circulation returns its redemption is met by the realization of the products for which it was advanced.

Twenty years ago some of the most eminent financiers of Canada, including the late Sir Francis Hincks, favoured the establishment of banks with small capital, but that gentleman later in life admitted publicly, and to myself personally, that his opinion on this point had entirely changed, and by the Canadian Bank Act of 1890, no bank can go into operation without a subscribed capital of \$600,000, and a *bona fide* paid-up capital, deposited with the Government, of \$250,000. When the bank has appointed its Directors, and is prepared to commence operations, this capital is handed over to its management."

In harmony with this general statement the following eulogy of the Canadian system may be quoted from the *New York Commercial Advertiser* of January 18th, 1890: "We know of no system

that more closely conforms to the best and broadest economic ideals of banking ; none better calculated to afford the largest possible public accommodation ; none better adapted to insure a safe utilization of the surplus balances of the people ; and none better qualified to supply the daily fluctuating wants of trade with a safe and convenient circulating medium."

Mr. Breckenridge quotes, in his volume upon the Canadian Banking System, from the same journal in 1893—the exact date is not given—a very striking statement of the causes for the superior credit and stability of the Dominion's financial institutions :

"1st. Because the Canadian Government has followed the action of Great Britain in adopting

a single standard of exchange, or measure of value.

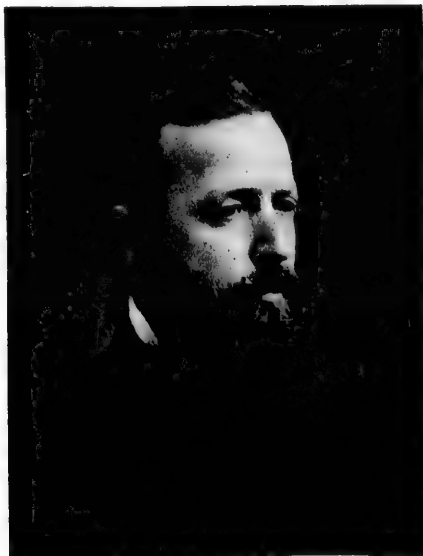
2nd. Because the leaders of neither political party in Canada have ever pandered to the populist demand for the free coinage of silver.

3rd. Because the leaders of both political parties have steadfastly opposed the issue and circulation of coin or paper currency of doubtful value.

4th. Because the bank currency of Canada is payable in gold coin on demand.

5th. Because the monetary system of Canada has never been made a political issue.

6th. Because the electors of Canada have persistently demanded honest money, irrespective of their party affiliations."



R. H. Bethune.

## THE BANKING SYSTEM OF CANADA

BY

D. R. WILKIE, General Manager Imperial Bank of Canada.

THE Chartered Banks of the Dominion of Canada are incorporated under 53 Victoria, Chapter 31, entitled "An Act Respecting Banks and Banking" (assented to on 16th May, 1890), which came into force on the 1st July, 1891. The first General Banking Act of the Dominion was assented to in 1871 (34 Vic. Chap. 5). Up to that time no general Act existed applicable to all banks alike—the banks then in existence owing their special privileges to Acts of Incorporation granted by the old Provincial Legislatures or to Special Acts of the Dominion Legislature passed since Confederation (1867).

The charters, renewed or authorized under the Act of 1871, were granted for a period of ten years only, and while the powers of lending and of borrowing through deposits were extended beyond what were previously enjoyed, the privilege of issuing notes of a smaller denomination than \$4.00 was prohibited. This restriction was imposed for the purpose of affording the Government a monopoly of the smaller notes issued; and by the Act of 1880 (43 Vic. Chap. 22) this monopoly was further extended by fixing the minimum denomination at \$5.00. The circulation of Dominion notes under the denomination of \$5.00 on 30th June, 1897, amounted to \$7,507,630. The main features of the Act of 1871 were incorporated in the Act of 1880, and form the basis upon which subsequent legislation upon the subject of Canadian Banking has been framed.

The Act of 1880 was considered and passed during a period of unusual political and commercial excitement. The success of Sir John A. Macdonald's appeal to the country in 1878 on the policy of "Protection to Home Industries" was shortly afterwards followed by an agitation for a

National Currency with no other basis than National Indebtedness. The agitation led by Mr. William Wallace, M.P., of South Norfolk, was unsuccessful, but advantage was taken by the Government of the feeling in favour of an extension of the Government issues to obtain authority from Parliament to increase the authorized circulation of Government notes from \$12,000,000 to \$20,000,000, at the same time, under protests from Sir Richard Cartwright and other Opposition leaders, the gold reserve to be held against the outstanding circulation was reduced from 27½ per cent. to 15 per cent.

The Bank Act of 1880, with a few unimportant amendments, continued in force until the 1st of July, 1891, when the present Act became law. It must be borne in mind in discussing Canadian bank legislation that the Canadian people have not been harassed to any serious extent by the exigencies of a War Department, nor have they been influenced by Provincial as opposed to Federal interests. Banking legislation so far has been guided only by the supposed requirements of the community, tempered by a natural desire on the part of the Federal Government to encroach as far as they considered it safe and politic upon the bank issues, and to enjoy a forced loan without interest by compelling banks to hold a large proportion of their cash reserves in the shape of Dominion Government notes not bearing interest.

To assist in framing the Act of 1890 representatives from every chartered bank were invited to Ottawa by the Minister of Finance, the Hon. G. E. Foster, and the suggestions and remonstrances, which they had every opportunity to express, were for the most part adopted and regarded. The Act of 1890 opens out with the necessary interpretation clauses. The charters of then existing banks, and of any banks subse-

The writer is indebted to *The Forum* for permission to make free use of his article in that periodical of May, 1892, in the preparation of this contribution.



quently incorporated under its provisions, are made to expire on the first of July, 1901.

The capital of any Bank thereafter incorporated is fixed at a minimum of \$500,000, with shares valued at \$100 each. Provision is made for Provisional Directors, for the opening of stock books, for meetings of shareholders, and for the election of Directors. Before commencing business \$250,000 must be paid up in cash to the Minister of Finance, and this must be done within one year of incorporation. Provision is made for payment over to the Department of Finance of the sum of \$5,000 as the first contribution of the bank to the Bank Note Circulation Fund, about which I will say more hereafter.

Shareholders have the authority to fix within certain limits the number, qualification and remuneration of Directors, and the maximum amount of loans and discounts which may be afforded Directors and other persons and companies. In the event of insolvency each shareholder is liable for the debts of the bank to an amount equal to the par value of the shares held by him in addition to any amount not paid up on such shares. Authority is given for the establishment of Guarantee and Pension Funds for the officers and employés of the bank. Contributions to these Funds by the banks, under the authority of the shareholders, are approved of. This new provision in banking legislation has been very generally utilized. Before 1890 a special Act of Parliament was needed by each bank desirous of affording itself and its officers the advantages of such a mutual system of guarantee, and the personal responsibility of each employé for the good behaviour and efficiency of his fellow employé. These Pension Funds tend to solidarity on the part of the employés, and thus serve as an inducement to long service.

Directors are elected annually. Their stock qualification is fixed at a minimum of \$3,000 to \$5,000, dependent upon the amount of capital of the bank, but the minimum may be increased by a resolution of the shareholders. To prevent the abuse of the proxy system, shareholders' proxies for use at annual or special meetings must have been executed within two years of the time they are used. This provision is unnecessarily drastic—three years would have been more reasonable.

At the same time, Directors are none the worse for being frequently brought in touch with their constituents.

The capital stock may be increased from time to time, subject to approval of the Treasury Board (a Committee of members of the Federal Government), and the additional capital carries with it the same privileges concerning note issues as does the original capital. The new shares must in the first instance be allotted *pro rata* amongst existing shareholders. Capital stock may be reduced by resolution of shareholders to an amount not below \$250,000, but the consent of the Treasury Board to the reduction must be obtained. The provisions governing the payment of calls upon shares, the transfer and transmission of shares, etc., are very complete and exhaustive.

Shareholders, before being permitted to transfer their stock, may be compelled to liquidate any liability or debt to the bank which exceeds the value of their remaining shares. This lien of the bank upon its own shares can be abused; but, on the other hand, it has been found most beneficial in preventing the exercise by shareholders, possibly by Directors, of the influence pertaining to their holdings in the creation of liabilities to the bank.

Purchasing, dealing in, or lending money upon the security or pledge of its own stock, or of the stock of any bank, is strictly forbidden under penalty. "Short sales" of bank shares at one time in Canada was a popular but dangerous and illegitimate stock-gambling operation, and is made illegal by Section 37 of the Act which provides that only the registered owner of shares can sell or contract to sell the same. The penalty for any contravention is fine or imprisonment. Executors and Trustees, where the nature of the trust is expressed, are not personally liable as shareholders for double liability upon shares standing in their name, but the estate and funds in their hands are liable. Dividends are limited to 8 per cent. until the Rest equals 30 per cent. of the paid-up capital, but the capital must not in any event be impaired by payment of a dividend or bonus.

*Cash Reserves.* During the discussions about the Act in 1890, a strong effort was made by the Minister of Finance, and by the other officials of

the Finance Department, to introduce the principle of fixed cash reserves. The banks were almost a unit against any such hard-and-fast regulation, pointing with convincing force to the evil effects of a similar principle upon the money market of the United States; to the fact that the United States Treasury had during successive financial crises been obliged to come to the assistance of the money market; and to the fact that there have been in the United States frequent departures from that principle. It was also argued that if such a regulation had been in existence in the Dominion, instead of temporary embarrassment followed by gradual liquidation, Canada would have been brought face to face more than once with crises working terrible havoc amongst the mercantile, manufacturing and agricultural interests of the country. The fixed cash reserve proposal was therefore abandoned, leaving, however, a regulation which compelled banks to hold at least forty per cent., and as nearly as possible fifty per cent., of their cash reserves in Government notes upon which no interest is paid.

*Note Issues.* The three objects aimed at by the Bank Act in authorizing the issue of bank notes, are safety, convertibility and elasticity, the whole without monopoly. They will be considered in the order named. *Safety.* Under the Act of 1880 the note circulation of each bank was limited to the amount of the unimpaired paid-up capital, and became, in case of insolvency, a first charge upon the assets of the institution, and, if necessary, upon the double liability of shareholders.

During the whole term of the Act, six banks, with a paid-up capital of nearly three millions of dollars, had failed or gone into liquidation. Every dollar of circulation had been paid or provided for in cash. With such a record there could not be any grave excuse for questioning the safety of the Canadian bank note, but, to provide for contingencies, it was considered advisable to strengthen still further the basis of security. This was done by establishing a "Bank Circulation Redemption Fund," the amount payable for each bank to the fund to be adjusted annually, and to be, in all, five per cent. of the average circulation of such bank for the previous twelve months—2½ per cent. to be paid before 15th July, 1891, the remaining 2½ per cent. to be paid before 15th July, 1892. The

fund on 30th July, 1897, amounted to \$1,859,936 on an average circulation of \$32,062,710, and varies, of course, from year to year. The fund is held by the Finance Department at the credit of each bank contributing thereto, and bears interest at 3 per cent. per annum.

In case of the suspension of any bank, and of its failure within two months after such suspension to arrange for payment of its outstanding notes and all interest thereon, the fund becomes available for the liquidation of that liability. Interest runs on the notes of a suspended bank, without presentation of the notes themselves for payment, at 6 per cent. per annum from date of suspension to such date as is named for payment thereof. The fund, if availed of, and if not replenished by the suspended bank, is to be made up proportionately by contributions from the other banks on demand of the Finance Department; but such other banks are only to be called upon to make good to the fund its share in payments not exceeding in any one year one per cent. of the average amount of its notes in circulation. The holder of a Canadian bank note has therefore as his security:

- (a) A first lien upon all the assets of the Bank itself.
- (b) A first lien upon the double liability of shareholders of the Bank.
- (c) The "Bank Note Circulation Fund."
- (d) The absolute guarantee of every other Bank in Canada (subject to maximum assessment during any one year of one per cent. upon its average circulation).

To reduce the system to figures on the basis of the condition of all the banks on 30th June, 1897, the circulation, which then amounted to \$32,366,174, was secured by:

- (a) Assets amounting to (including Circulation Fund)..... \$335,203,890
- (b) Double Liability..... 62,713,748

Total Security..... \$397,917,638

It may be said that the existence of such a mass of security will tend to reckless banking or may lead to over issues during times of panic or even of stringency. To provide for such a contingency, heavy penalties, running from \$100,000 if over issue exceeds \$200,000 to \$1,000 if over issue is more than \$1,000, and does not exceed

\$20,000 (100% of the amount if excess is less than \$1,000), are incurred by the issuing bank for such over issue. The pledging of note issues is prohibited and punished by fine and imprisonment of both parties to the matter.

**Convertibility.** Section 55 of the Act reads as follows: "The bank shall make such arrangements as are necessary to insure the circulation at par in every part of Canada of all notes issued or re-issued by it, and intended for circulation; and towards this purpose the bank shall establish agencies for the redemption and payment of its notes at the cities of Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg and Victoria, and at such other places as are from time to time designated by the Treasury Board." The effect of this regulation is that to-day the notes issued by the Bank of Nova Scotia in Halifax are accepted without discount in British Columbia, and the notes of the Bank of British Columbia pass current in the eastern Maritime Province. Prior to 1890, the note-holder travelling from Province to Province was compelled to exercise a measure of discrimination, in filling his wallet and in accepting change, which was customary in the United States during the old days of State Bank issues.

**Elasticity.** The normal expansion of bank note circulation during the harvest months commencing with August has usually been about \$7,000,000, equal to an increase of about 23% over the normal circulation of the early summer months. The necessity of providing for this heavy and impetuous drain upon the resources of the country was acknowledged, and the public, including those otherwise in favour of a Government issue of notes, or of bank issues secured by deposit of Government securities, withdrew their objections to the continuance of the bank issues. Elasticity of note issues, in Canada at least, is indispensable to the easy and automatic exchange of one product for another and of products for money, and so successfully has the system worked here, that during the movement of crops, with calls from all parts of the Dominion for money, and more money, the Canadian banks are not only able to supply all legitimate demands without advancing the rate of interest by a fraction of one per cent., but are able also to lend very large

amounts to the grain dealers of Chicago, St. Paul, Minneapolis, Duluth and other grain centres in the United States. The President of the Winnipeg Board of Trade, Mr. Stephen Nairn, in his annual address in 1892, could not refrain from drawing attention to this feature of the system, and the following excerpt therefrom will hardly be considered out of place:

"Amongst the privileges of the trade may be mentioned our admirable banking system which, perhaps, cannot be excelled anywhere. Our early legislators were very wise and sagacious when



D. R. Wilkie.

they provided for the contraction and expansion of the circulating medium of the country. Not only is this felt in the comparative ease with which money can be obtained, when the interest of the country requires it, but it tends largely to keep the cost to the borrower steady and at reasonable rates of interest. Were this feature of the banking system wanting in such a season as this, money would not only be scarce, but the rate of interest would be much higher than it is now. And if this is so with but 25,000,000 to 30,000,000 bushels of wheat to move, what would the state of things be, as may confidently be expected ere many years go round, when not 25,000,000 or 30,000,000, but

100,000,000 to 150,000,000 bushels must be taken care of. Without proper banking facilities, the movement of grain would be seriously retarded, resulting in great loss to the producer and trade alike. It has been stated that upwards of \$3,000,000 has been borrowed from Canadian financial institutions this season by grain-dealing firms in Minnesota and Dakota, to assist in moving their large crops. We have every reason to feel proud of our monetary institutions in Canada, exercising, as they do, such a powerful influence in the material advancement of the country."

The saving of capital under the Canadian system is not confined to the amount of notes in circulation. To that amount must be added the "till money," which, in a country of such vast expanse, served by upwards of 500 bank branches, may be safely estimated at \$16,000,000. This amount is supplied by bank notes, which can be held indefinitely awaiting the convenience of the depositor or borrower without loss of interest, or expense to the banks or their customers.

*Business and Powers of Banks.* Beyond the general authority to "carry on such business as appertains to the business of banking," including the advancing on bills of lading and warehouse receipts, special authority is given to lend to manufacturers upon the security of goods manufactured or procured for such purpose; to lend to the purchaser or shipper of products of the field, forest, mine, and waters; and upon live stock and dead stock and products thereof. Every opportunity therefore is extended to those engaged in legitimate business—and they can reasonably count upon receiving financial assistance if satisfactory security is forthcoming. Assistance may be given to dealers in cattle and agricultural products of all kinds, to saw-millers, lumbermen, etc. The form of pledge is short and the transaction itself does not require public, or, in fact, any registration.

Although the taking of mortgages and *hypothèques* upon real and personal property by way of additional security is permitted, the lending of money upon the security of mortgage or hypothecation of any land, tenements, or immovable property is forbidden. To meet the necessities of the ship-building community in Quebec and the Maritime Provinces the right of acquiring and holding security upon ships or vessels while building, and when complete, is recognized, and

the same rights as are enjoyed by individuals under the laws of the Province in which such ship or vessel is being built are extended to the banks.

*The Branch System.* After perusal of the foregoing it will, perhaps, be apparent to the professional reader that in order to avail itself of the full benefit of its powers to issue currency and of the facilities afforded for making advances, the inducement to extend the operations of a bank beyond the limits of its headquarters would constantly present itself, and we find that, distant as is the Atlantic from the Pacific in these latitudes, branches may be found in Halifax, N.S., and Victoria, B.C., of banks having their headquarters in Montreal. Edmonton in the far North-West, two hundred and fifty miles north of Calgary, is accommodated by branches of banks having their head offices in Toronto and Montreal, and has the same banking facilities and conveniences as if it were a suburb of one of those financial centres. Nelson and Rossland, in the very heart of the Selkirks, are equally well served. But for the branch system the Canadian North-West and the gold-bearing regions of British Columbia could not possibly, in so short a period, have reached their present stage of development. The construction of the Canadian Pacific Railway could not have been so speedily and successfully completed. The wholesale merchants of Winnipeg and Vancouver are paying no higher interest charges than are paid by the merchant princes of Montreal, and the isolated North-West settler can borrow upon the security of his grain in warehouse upon as favourable terms as the millionaire speculator in the United States City of Chicago.

Compare the hardships endured by the Dakota settler if he has the misfortune to require a temporary loan. The two per cent., if not three per cent., per month that he is compelled to pay by way of discount, stands in grim contrast with the financial ease enjoyed by his Canadian cousin in Manitoba, who, warehouse or pledge receipt in hand, can approach his banker with comfort and satisfaction, knowing that any needful advances can be obtained at a moderate rate of interest on the products of his farm. The banking facilities of the Canadian North-West should therefore of themselves commend that district to the prospect-

ive settler and turn the scales in its favour as against any equally attractive agricultural lands to the south.

*Returns to Government.* In addition to an elaborate Return of the assets and liabilities of the bank to be furnished monthly, as on the last days of each month, banks are required to send in annually a list of shareholders. The Government may also call for special returns from any bank whenever "they are necessary to afford a full and complete knowledge of its condition" (Sec. 85 and 86). In addition to this, the bank has to "annually make a return of all dividends which have remained unpaid for more than five years, and also of all amounts and balances in respect of which no transactions have taken place or upon which no interest has been paid for more than five years," (Sec. 88).

Beyond obtaining the information called for by the foregoing provision it was the pronounced intention of the Government, in 1890, to compel the payment over to them of all balances and amounts included therein. This threatened action was freely styled "legalized robbery" and "confiscation." An united front was presented by the combined banks against the proposition, which, if carried into effect, would have been the means of placing depositors in Chartered Banks at a disadvantage with those in the Government and Post Office Savings Banks and in Savings, Loan and Trust Companies, by placing under the custody of the Government amounts deposited with banks in preference to other depositories, thereby disclosing the private business of valued clients and alienating the most desirable class of deposits. The discussion in the House of Commons on this clause was sharp and acrimonious, and ended in a threat from the Minister of Finance that continued opposition to the clause as it now stands (being minus the confiscation) would end in the postponement of all banking legislation. This would have made the situation a very serious one, as owing to the approaching lapse of all existing charters there would have been financial anarchy. The unfairness of the enactment, even as it stands,

may be measured by the fact that the Government does not render a similar return regarding balances in the Post Office and other Government Savings Banks which are to-day the strongest competitors of the chartered banks for the deposits of the people. The total of Post Office Government Savings Bank deposits has grown from \$2,387,648 in 1869 to \$48,396,091 on 30th June, 1897.

*Insolvency.* Suspension for ninety days constitutes insolvency and operates as a forfeiture of charter. Regulations exist for the enforcement and collection of the double liability of shareholders. Transferors of shares within sixty days of suspension are held liable if actual holders fail to meet calls. And "as a condition of the rights and privileges conferred by this Act or by any Act in amendment thereof, the following provision shall have effect: The liability of the bank under any law, custom or agreement to repay moneys deposited with it and interest (if any) and to pay dividends declared and payable on its capital stock, shall continue notwithstanding any statute of limitations or any enactment, or law relating to prescription; this section applies to moneys heretofore or hereafter deposited, and to dividends heretofore or hereafter declared." (Sec. 90). Although no instance is on record in Canada of any statutes of limitation having been pleaded by a bank as a defence to an action brought by a depositor or note-holder, the above enactment was intended to cover the case of banks insolvent or in liquidation, and to prevent the confiscation by creditors or shareholders thereof of unclaimed credit balances and outstanding notes. Another clause provides for the payment of such amounts, in case of insolvency or liquidation, to the Government of the Dominion after a reasonable period subsequent thereto.

The banking system of Canada is unique and, I believe, peculiarly adapted to the requirements of the country, but it must be borne in mind by those who are responsible for its administration that its permanency depends upon a prudent use by them of the powers and privileges which it confers, and which they must be careful not to abuse.

The first important steps taken after Confederation in connection with the banking system of the new Dominion was during the Parliamentary session of 1869. On May 14th the Minister of Finance, Mr. (afterwards Sir) John Rose, presented a scheme of general revision and Inter-Provincial assimilation which excited keen controversy and had afterwards to be withdrawn. It was a distinct effort to introduce the American banking system into Canada, and the resolutions themselves are understood to have been prepared under the direct supervision of Mr. E. H. King, President of the Bank of Montreal—in accordance with the previously announced views of his Board of Directors. The speech may be summarized briefly and conveniently as follows:

1. The circulation unsecured by Government bonds was to be gradually and entirely reduced.

2. Notes of uniform appearance, furnished by the Government, and up to the amount of their paid-up capital stock, were to be issued by the banks in return for a deposit with the Government of gold, Dominion notes, or special Dominion securities.

3. The bank notes were to be legal tender throughout the Dominion, and a redemption office was to be established in Montreal or the capital city of any of the Provinces.

4. The banks were to hold reserves of specie equal to 20 per cent. of the secured notes in circulation, and one-seventh of the deposits at call.

5. The notes were to be the first charge upon the assets of the bank in case of insolvency, and the deposits at call and not bearing interest the second charge.

The chief point in Mr. Rose's introductory speech was that connected with the proposed change in the circulation. He first of all described the existing position: "In Nova Scotia the banks could issue three times the amount of their capital, plus their deposits; in New Brunswick twice the amount of their circulation; and in Ontario and Quebec to the full amount of their capital stock, plus what specie they had in their hands and the Government securities." He then dealt at length with his intended changes—*Toronto Globe*, May 15th, 1869. This paper, in the powerful hands of Mr. George Brown, maintained an effective opposition to the Minister's proposals.

During the Parliamentary Session of 1870, the Canadian Banking System was thoroughly discussed in connection with the adaptation of the underlying principles of the various Provincial systems to the exigencies and requirements of the new Dominion. Sir Francis Hincks, as Minister of Finance, had charge of the Government measure introduced for this purpose, and the following is an extract from an important speech made by him on March 1st:

"The question was one surrounded with difficulties, and one in which all classes of the people were interested. It was one also in which gentlemen of the greatest practical knowledge held widely different opinions. Circumstances had occurred since the last renewal of the bank charters, which impressed upon the entire community the necessity of affording greater security to note-holders. He did not desire to conceal his own opinion upon the subject, and perhaps it would be better for him at the outset to declare that his opinion had long since been formed upon the subject of a circulating medium for the country. But having done his utmost to establish what he considered to be the best kind of currency, some thirty years ago, he became quite satisfied that the public mind in this country was not educated to that degree that would make it possible to carry such a system into force. His opinion, if he were called on to say what was best for the country, was strongly in favour of a Government bank of issue as the sole circulating medium, the profits of which would go to the country. But the subject was fully discussed in 1841, when a measure was brought forward on the recommendation of Lord Sydenham, who was himself a strong advocate of the measure, and who recommended it in his opening speech to Parliament. It was then found that public opinion was against it. The reasons were obvious.

In Ontario and Quebec alone, during many years, there had been loaned to the public on the basis of the circulation of the banks, not less than eight or nine million dollars, and the withdrawal of this circulation, and the substitution of a Government issue based upon Government securities, would necessitate the withdrawal of these loans to the public. He was strongly impressed with the difficulty in 1841; and while he



was theoretically in favour of a bank of issue, he did not conceal his opinion that if any such scheme was to be carried out, it was absolutely necessary to adopt some measure to prevent the evils that would be produced by the sudden withdrawal of these loans to the public. Since 1841, although he was more than once in the Government, he never deemed it expedient to attempt to bring forward that scheme again. In 1866 a Provincial note issue was sanctioned, and he had to confess he was rather astonished to find that the Honourable Gentleman who had introduced that measure had succeeded in obtaining the assent of Parliament to it. Had that measure been successful, that is to say, had all the banks in the Dominion accepted the conditions of that Act, then he would have considered that it was a wise measure, and that the subject had been very satisfactorily settled; but inasmuch as only one bank (Montreal) agreed to accept the conditions, thereby placing itself on a different footing from all the other banks in the Provinces of Ontario and Quebec, he must say that he looked upon it as quite impossible that it could have worked well. His opinion was clear that it is necessary that all banks should be on the same footing, and it was impossible that this Act could be worked satisfactorily while a great advantage was given to one bank which had accepted the conditions of the Act. Of course, he did not desire in the slightest degree to impute any blame to the bank which accepted of this proposition; on the contrary, he thought that the Government was very much indebted to it for adopting a policy which at the time was indispensable to maintain the public credit. The other banks not having accepted the conditions, and the charters being about to expire, it was absolutely necessary, as he had already stated, for the Government to determine what conditions should be imposed upon the banks renewing their charters, and how those charters should be made to give due security to the note-holders."

During the debate which followed all schools of financial thought were represented. Those who wanted one great Government institution; those who desired a number of small and scattered banks, independent of each other; those who liked a circulation guaranteed by Government as a result of bonds deposited for security to the

full amount of the issue; those who wanted the American system, and those who preferred the British mode of operation; all had their varied ideas upon the subject. The Government proposals were, however, adopted and formed the basis of the present system.

**The Canadian Banking Act was renewed in 1880** under the auspices of Sir Leonard Tilley as Finance Minister. On April 26th of that year he presented the following resolutions, which, after considerable discussion, were ultimately accepted by the House: "Resolved: That the charters of the several banks to which the Act respecting Banks and Banking (34 Vic., Chap. 5) applies shall be extended to the 1st day of July, 1891, subject to the following provisions:

1. That after the 1st day of July, 1881 (on which day the charters, if not extended, would expire), the payment of the notes of any such bank intended for general circulation, shall be the first charge upon its assets; and that the bank shall not, after the said day, issue or re-issue any such note for a less sum than \$5, or for any other sum not being a multiple of \$5.

2. That from and after the same day any such bank, when making any payment, shall, on the request of the person to whom the payment is to be made, pay the same, or such part thereof, not exceeding \$50, as such person may request, in Dominion notes for \$1 or for \$2 each, at the option of the receiver.

3. And that from and after the passing of the Act to be passed in pursuance of these resolutions, the proportion of the cash reserves to be held by any such bank in Dominion notes shall never be less than 40 per cent.

4. That the form of the Monthly Returns to Government be so amended as to show more clearly the financial position of the bank.

5. That Sections 3, 4, 5 and 6 of the Act of the now last Session (42 Vic., Chap. 45) respecting the numbering of bank shares be repealed.

In speaking to his motion, Sir Leonard Tilley made some important references, from which the following may be quoted:

"It is well known that for the last two or three years, or since the banks have been deprived of the privilege of issuing \$1 or \$2 notes, or any



note less than \$4, there have been complaints from all parts of the country that people could not obtain small bills. The Government do not propose the establishment of expensive machinery for putting these notes into circulation. Persons now asking for the payment of cheques upon a bank frequently ask for \$1 or \$2 notes, but cannot obtain them. It is not the business of the bank to circulate them; they have no interest in circulating them or in keeping them out; they are only anxious to put their own notes in circulation. We propose requiring the banks to pay \$50 in small notes. This is one of the means by which the Government proposes to obtain an increased circulation for the \$1 and \$2 notes, and at the same time to give accommodation to people who require these notes. We will, in that way, in part supply the demand for \$1 and \$2 notes that are required for the payment of labour. I quite agree with the Hon. Gentlemen opposite that you cannot force \$8,000,000, or \$4,000,000, or even \$2,000,000, suddenly upon the country. If we do, we must expect to have to provide for it at short notice, because if you put it in the hands of contractors, you may have to take it up next day. After July, 1881, we shall take from the banks the right to issue \$4 notes, and it is by these means that the Government expect to obtain a much larger circulation for their notes. It is true, as was just stated, that the circulation must necessarily be limited, because large transactions are generally done by cheque and not by Bank or Dominion notes. But the circulation is used in the payment of labour by our manufacturers and other employers of labour. The great difficulty has been to obtain these small notes. The Government would have to use expensive machinery if they undertook to establish a bank of issue, and so they only propose to use the old machinery, with some additional provisions in the new Banking Act, with which they will obtain an increased circulation; and these small notes do not return to the banks or the Government for redemption as the larger notes do."

**In 1890, the Banking Act was again amended and renewed.** The Measure was introduced in the House of Commons on March 20th by the Hon. George E. Foster, in an important speech, from which the following is an extract along historical lines:

"In 1867 the first enactment was passed which did little else than continue for three years the charters of the incorporated banks then in existence, and applied the system of a tax upon the

bank circulation to the banks in Nova Scotia and New Brunswick. In 1868 another idea seems to have prevailed, and legislation was introduced which contemplated the taking over by the Government of the note circulation of the country, under certain arrangements which should be made with the banks upon the principle, I think, of paying the different banks a certain rate per annum for the average circulation which they at that time possessed, and which should be continued until the expiration of their charter. It appears, however, that this plan was not adopted by any of the banks with the exception of one, which, I think, was the Bank of Montreal, and in 1870 the legislation was repealed. In that year the first extended legislation was had in reference to the banks. The charters were then continued for ten years, and it was made obligatory that banks that were newly started should have a *bona fide* paid-up capital of \$200,000; that the circulation should never exceed the paid-up capital; that they should have no power to circulate notes below the value of \$4; and also that a certain amount of the cash reserves should be in Dominion notes, the minimum being thirty-three per cent. and the maximum to range in the vicinity of fifty per cent. A double liability of the shareholders was also provided for in that year, and arrangements were made to have lists of shareholders, and stated returns published for the inspection of the shareholders.

In 1871 legislation was again had in which the chief features of the Act of the preceding year were embodied and some change was made in reference to the amount of capital—which was then fixed as it remains to-day—that the subscribed capital must be \$500,000, with \$100,000 paid up when a new bank was established, and \$100,000 more paid up within two years from the date of its commencing business. The next legislation took place in 1880, when the principal features added were that the Dominion notes to be held as reserves should not be less than 40 per cent.; that the issue of the \$4 notes be taken from the banks; and that the privilege of issuing fives and multiples of fives be continued; and that notes have a preferential lien in order to give greater security. These are the principal features of bank legislation as it exists to-day.

In looking over that legislation it seems to have been the purpose of Parliament not to interfere violently with what may be called the natural growth of the banking system in this country. Parliament from time to time, at these different periods of revision, affirmed the principle that it possessed authority to control the circulation, and the power of circulation was continued to a greater or less degree to the banks as a privilege, the Government, in the meantime, taking over a certain proportion from period to period, of the smaller note circulation of the country. It also appeared to be the desire of Parliament to hedge around the banking system which then prevailed by more severe conditions of charter; by regulations which should be restrictive upon the dealings of the banks, especially with their stock and with the stock of other banks; to foster the laying by of reserve capital; and by a judicious requirement of Returns, to perfect the system and render it as safe as possible, without interfering voluntarily with the general principles upon which the banks had been operated from the earlier time."

**The particulars of the Chartered Banks since Confederation in their discounts, liabilities and assets are as follows:**

Year.	Total of discounts to the people.	Liabilities.	Assets.
1868....	\$52,299,050	\$45,144,854	\$79,860,976
1869....	56,433,953	50,940,226	86,283,976
1870....	66,276,961	65,685,870	103,197,103
1871....	84,799,841	80,250,974	125,273,631
1872....	106,744,665	90,864,688	148,862,445
1873....	119,274,317	98,982,668	166,056,595
1874....	131,680,111	116,412,392	187,921,031
1875....	136,029,307	104,609,356	186,255,330
1876....	127,621,577	99,614,014	183,499,801
1877....	125,681,658	99,810,731	181,019,194
1878....	119,682,659	95,538,831	175,450,274
1879....	113,485,108	96,700,113	173,548,490
1880....	102,166,115	111,838,941	184,276,190
1881....	116,953,497	127,176,249	200,613,879
1882....	140,077,194	149,777,214	227,426,835
1883....	143,944,957	145,938,095	228,084,050
1884....	130,490,053	137,494,917	219,998,642
1885....	126,827,792	138,762,695	219,147,080
1886....	132,833,313	146,954,260	228,661,872
1887....	139,753,755	149,704,402	230,393,072
1888....	141,002,373	163,990,797	243,504,164
1889....	149,958,980	173,029,622	253,789,803
1890....	153,391,335	173,207,587	254,546,329
1891....	171,082,677	187,332,325	269,397,032
1892....	193,455,883	208,062,169	291,635,251
1893....	206,623,042	217,195,975	302,696,715
1894....	204,124,939	221,066,724	307,520,020
1895....	203,730,800	224,794,322	310,536,510
1896....	213,211,996	232,338,086	320,937,643

**Mr. E. H. King was for many years the most prominent banker in Canada, and, perhaps, upon this continent. He was the Napoleon of Canadian financial operations. The affairs of the Bank of Montreal during his *regime* were managed upon a large scale, and it was made one of the most potent banking institutions in the world partly through his skill and ability. Born in Ireland in 1828, he came to Canada during the "fifties" and entered the Bank of British North America. In 1857 he resigned to become Inspector of the Bank of Montreal. During the succeeding year he was appointed Manager of the Montreal branch, and on March 28th, 1863, became General Manager. This position he occupied until November, 1869, when he was elected President of the Bank, and during four years more administered its affairs. When he retired in 1873 the stockholders presented him with a magnificent silver service which had cost \$10,000. Mr. King went to England, where he lived quietly upon the handsome fortune he had accumulated—with only an occasional visit to New York or Montreal—until his death in April, 1896. His management of the Bank of Montreal was conspicuous for a prolonged and brilliant effort to make it a Government institution somewhat after the style of the Bank of England, and for the rivalry between the three larger banks—the Montreal, the Commerce, and the Merchants'—during which their capital was respectively raised by some \$3,000,000. Mr. King's reputation for ability was very great, though his public popularity cannot be said to have reached a high level. This was inevitable from the measures which he considered it necessary to adopt in 1863-66, when, at the cost of a million dollars to the bank, he wiped out a large business in Upper Canada based upon accommodation paper. The writing off of these bad or doubtful debts, and the temporary restriction of many business operations based upon the unsound and wholesale practice of using "names" as security, was a process which required great strength of mind and character. And the result was that while the Bank of Upper Canada and the Commercial Bank of Canada fell victims to these and other practices during the years immediately preceding Confederation, the Bank of Montreal became**

stronger and stronger. It had a fourth of the capital and the assets and a third of the business exhibited in the bank returns of the period, and was besides the Government depository and fiscal agent.

This position therefore gave Mr. King an extraordinary degree of influence when he endeavoured, in 1867-9, to procure the adoption of the American banking system—free banks and a Government-secured currency—in Canada. He won over Mr. Rose the Minister of Finance, and the Government, but in the end the scheme failed through opposition from the other banks, led by Mr. Hague and Mr. Peter Jack of Halifax, and from the public. The banks, no doubt, disliked the locking up of so much capital in the hands of the Government, and also feared a development by which the Bank of Montreal with its greater wealth and resources would practically and gradually secure to itself the control of the National note issue. During these years also Mr. King carried on vast financial operations in New York which, though serious risks were run, turned out immensely profitable to the Bank.

**The Canadian system of Currency and the form and value of the coins in circulation have undergone a myriad historic changes. During the French regime the monetary system was mainly French, although various other coins were in use. In early times a species of paper money was freely used, and in 1685, according to Parkman, a card currency was issued. Mr. Garland, in his work upon "Banks, Bankers and Banking," speaks of a report in 1698 that the currency of Canada consisted wholly of paper. In 1714 the card currency was estimated at about two million livres. In 1717 this card money was converted into bills, and by the Declaration of Quebec, the currency of Canada was made the same in every particular as that of France, and French coins only were legal tender.**

About this date paper disappeared, but only for a time. It was again re-issued after 1729 and continued to the end of French rule. The effect was distinctly disastrous. Mr. James Stevenson has stated in this connection that the average annual imports of the Colony in 1749-1755 amounted to about £210,000 sterling,

and the average exports to about £60,000 sterling. Mr. Parkman, speaking of 1772, declares that: "In the last bitter years of its existence the Colony floundered in drifts of worthless paper." After the Cession to Great Britain, regulations were issued in 1764 and in 1766, and an effort made to retain the higher French coins in use. But the population possessed a habit of hoarding their gold, and for a long time money was very limited in this form. Charles Carroll, the American revolutionist who was in Canada in 1776, estimates the total specie thus preserved or concealed amongst the people at one million pounds sterling. With the passing of French rule there also disappeared the French paper money.

The next and natural result of the prevailing scarcity of currency was the creation of another local and special paper money. It took the form of due bills which passed from hand to hand and circulated in accordance with the credit of those who made them. At first they were simply written promises from merchants to pay such and such an amount in goods, but they soon increased in number and application to a degree which afforded much practical relief to the people. In various forms these "bons," as they came to be called, circulated widely in Lower Canada for many years. Incidentally they were of service in preparing the French Canadians for the use of bank notes. During these years it should be remembered the use and value of local coins, etc., was determined to a great extent by the custom of the English Colonies to the south. When the Revolutionary war came, Canadian currency consisted mainly of French coins, left in the country after the conquest; Portuguese and Spanish coins brought in from the Southern Colonies; and British coins introduced directly from England as soon as the supply from the South was checked. Mr. Shortt illustrates the extraordinary diversity of values at that time by quoting in his "Early History of Canadian Banking," the following extract from a Report of the Merchants of Montreal to the Governor-General, Sir Guy Carleton, in 1778:

"By the present laws respecting gold coin we pay considerably more than the mint price for all Portugal gold, all guineas and French Louis d'Ors, and considerably less for Spanish and some kinds of French gold, yet we apprehend that the loss

occasioned by this difference is not so great as the inconvenience would be of altering the present rate. We are of opinion that guineas should not be taken at 23s. 4d. unless they weigh fully 5 dwts. 8 grs., because they are at that rate about 1s. per oz. higher than in England, and to take them at a less rate would heighten the difference and likewise encourage the sweating and clipping that is already too much practised."

According to Mr. George Johnson, the Dominion Statistician, the first step taken in British America for a really comprehensive revision of its currency was in 1795, when, to remedy the evils resulting from the coined money in circulation being so reduced in weight, debased in value, and composed of such a variety of pieces peculiar to all countries trading with this continent, an Imperial regulation was issued fixing a standard of value founded upon the average intrinsic worth of the gold and silver coins of Great Britain, Portugal, Spain, France and the United States. Subsequently various Acts of various Legislatures established a valuation for these pieces, at which they were generally accepted.

The so-called Halifax currency, which held a prominent place in early days, was an arbitrary money of account used in all the British North American Provinces until the decimalization of its currencies was decided upon. The denominations were dollars, pounds, shillings and pence; the table was 12d. = 1 shilling; 20s. = £1; 5s. = \$1; the dollar being originally the Spanish pillar dollar, coined before 1772, and containing 385 grains of fine silver. This currency was established for the Province of Canada by Imperial ordinances made shortly after the conquest, and which changed the monetary nomenclature from French to English, but adopted as the money unit, according to Mr. Breckenridge and other writers, a shilling equal in value to the old French livre. The unit was often altered slightly, and, after the debasement of the American coinage in 1834, was reduced so that the dollar unit of the two systems would correspond. In 1841 the pound sterling was reckoned at 24s. 4d. currency; the dollar (U.S.) at 5s. 1d., but after 1850 at 5s.

In 1858 the Province of Canada finally adopted dollars and cents, and pounds, shillings and pence as the only money of account. In 1871, the Fed-

eral Parliament passed an Act (Chap. 4, Acts of 1871) respecting the currency which gave to the Provinces of the Dominion an uniform system, the single gold standard adopted being that of the British sovereign of the weight and fineness prescribed by the laws of the United Kingdom. It was to pass current at 4.86 2/3. Provision was also made that until otherwise ordered by Her Majesty's proclamation, the gold eagle of the United States of the fixed weight of ten pennyweights and eighteen grains troy, and of a settled standard of fineness, should be legal tender in Canada. The same Act provided for a gold coinage for Canada when desired, but none has yet been minted. Silver coins were made legal tender up to \$10, and minor coins to 25 cents. The silver coins in common use are 50, 25, 20, 10 and 5 cents, although the 20-cent piece is being steadily withdrawn from circulation.

In addition to the coin used the Canadian Government has power to issue Government notes. These were first used in the Province of Canada under the law of 1866. The authority was limited to \$5,000,000 on general account, and \$3,000,000 to replace notes of banks surrendering their power of issue. It was provided that twenty per cent. of the notes issued should be covered by specie reserve and the remainder by Government debentures. On the formation of the Dominion, the permitted issue by Act of 1868 was enlarged to \$8,000,000—any amount in excess of \$5,000,000 to be covered by 25 per cent. in specie, or in specie and Canadian securities guaranteed by the Imperial Government, and for the remainder in unguaranteed bonds issued by authority of Parliament.

The issue was again changed in 1870 and fixed at \$9,000,000, with a 20 per cent. specie reserve, any excess to be fully covered by specie. In 1872 the issues in excess of \$9,000,000 were required to be covered by specie to the extent of 35 per cent. In 1875 a 50 per cent. specie reserve was required for \$3,000,000, above and beyond the \$9,000,000, any excess over \$12,000,000 to be fully covered. In 1880 the law authorized the issue of \$20,000,000, to be covered by at least 15 per cent. of gold, 10 per cent. addition in gold or Dominion securities guaranteed by Great Britain,

and the remainder in unguaranteed bonds; any excess above \$20,000,000 to be fully covered with gold. In 1895 an Act provided that the issue might exceed \$20,000,000 provided that in addition to any amount required to be held in gold under previous Acts, a further amount in gold equal to the excess of issued notes over twenty millions should be held. These notes are full legal tender, redeemable in specie on demand, and are of the following denominations: 25 cents, \$1, \$2, \$4, \$50, \$100, \$500, and \$1,000. Occasionally old issues of Provincial notes in denominations of \$5, \$10 and \$20 may be met with.

The following particulars regarding Canadian banks as they appeared in 1897 are compiled from various official sources :

Bank.	Date of establishment.	No. Canadian branches.	Capital paid up.	Rest of reserve fund.
Bank of Montreal.....	1817	36	\$12,000,000	\$6,000,000
Quebec Bank.....	1818	6	2,500,000	500,000
Bank of New Brunswick.....	1820	None.	500,000	350,000
Halifax Banking Company.....	1825	15	500,000	325,000
Bank of Nova Scotia.....	1832	28	1,500,000	1,570,000
Bank of British North America.....	1836	16	4,866,666	1,338,333
St. Stephen's Bank.....	1836	None.	200,000	45,000
Molson's Bank.....	1853	23	2,000,000	1,400,000
Bank of Toronto.....	1855	13	2,000,000	1,800,000
Union Bank of Halifax.....	1856	7	500,000	205,000
Ontario Bank.....	1857	14	1,000,000	50,000
Bank of Yarmouth.....	1859	None.	300,000	40,000
Eastern Townships Bank.....	1860	8	1,500,000	750,000
Banque Nationale.....	1860	9	1,200,000	.....
Summerside Bank of P. E. I.....	1862	None.	48,666	14,000
Banque Jacques Cartier.....	1862	15	500,000	235,000
Bank of British Columbia.....	1862	6	2,919,996	486,666
Merchants Bank of Canada.....	1864	30	6,000,000	3,000,000
People's Bank of Halifax.....	1864	13	700,000	200,000
People's Bank of New Brunswick.....	1864	None.	180,000	120,000
Union Bank of Canada.....	1866	22	1,200,000	300,000
Commercial Bank of Windsor, N.S.....	1866	None.	343,783	108,000
Canadian Bank of Commerce.....	1867	49	6,000,000	1,000,000
Merchants' Bank of Halifax.....	1869	22	1,500,000	1,075,000
Exchange Bank of Yarmouth, N.S.....	1869	None.	250,075	30,000
Merchants' Bank of P. E. I.....	1871	None.	200,020	50,000
Dominion Bank.....	1871	16	1,500,000	1,500,000
Banque de St. Jean.....	1873	None.	261,456	.....
Bank of Hamilton.....	1873	17	1,250,000	675,000
Banque Ville Marie.....	1873	8	479,620	10,000
Bank of Ottawa.....	1884	11	1,500,000	1,065,000
Banque D'Hochelega.....	1874	9	803,000	345,000
Banque de St. Hyacinthe.....	1874	1	512,115	65,000
Imperial Bank of Canada.....	1875	20	1,963,600	1,156,800
Standard Bank of Canada.....	1876	18	1,000,000	600,000
Western Bank of Canada.....	1882	7	377,816	105,000
Traders Bank of Canada.....	1885	17	700,000	85,000
Total.....		456	\$60,756,813	\$26,728,799

The number of branches, in Canada, of Canadian banks was therefore 456, according to the lists

of 1895. To this total might be added the head offices, numbering thirty-five in Canada, and in some cases the branches operating outside of the Dominion. Aside from important agencies in New York such as those maintained by the Bank of Montreal, the Commerce and the Merchants—which transact a large business there with Canadian capital—several of the banks have regularly established branches abroad. The Bank of Nova Scotia has a large agency in Chicago, U.S.A., and a branch at Kingston, Jamaica. The Bank of British Columbia had branches in 1895 at Tacoma, Seattle and San Francisco, U.S.A., and, like the Bank of British North America, maintains its headquarters in London, England.

The Right Hon. Sir John Rose, Bart., was born in 1820, at Turriff, in Aberdeenshire, and was educated in local schools and at King's College, Aberdeen. While still a youth he came with his parents to the County of Huntingdon, in Lower Canada, and for a time earned a not very lucrative livelihood by teaching in the schools of the Eastern Townships. Before long, however, he removed to Montreal, studied law, and was called to the Bar in 1842. With a commanding presence, earnest manner, and a power of fluent speech and skill in debate, he soon built up a high reputation which, in time, gave him the largest commercial practice in Montreal and the control of the legal business of many wealthy concerns—the Hudson's Bay Company, for example. He also conducted much of the Government's legal business, and in 1848 was made a Queen's Counsel. In the social and political life of Montreal Mr. Rose also took an active and prominent part. Throughout his career he was a Conservative, but it was not until 1857 that he entered the Legislature upon appointment as Solicitor-General in the Macdonald-Cartier administration, a post which he held until the resignation of the Ministry in August, 1858. In this first contest of his it is interesting to note the fact that three Conservative leaders, the Hon. George E. Cartier, Hon. Henry Starnes and himself, were pitted against three leading Liberals of that day—Hon. L. H. Holton, Hon. A. A. Dorion, and Hon. T. D'Arcy McGee. Mr. Rose was the only Con-

servative elected. For brief periods in the latter part of 1858 he held office as Receiver-General and again as Solicitor-General, but on the 10th January following he was transferred to the Department of Public Works. In this position it was his duty to provide for the accommodation of the Prince of Wales during His Royal Highness's visit in 1860. Pressure of private business and public work compelled his retirement from the Government in June, 1861, but he remained a member of the Assembly until Confederation. In 1864 he was appointed by the Imperial Government as Commissioner on behalf of Great Britain under the treaty with the United States for the settlement of the Oregon claims.

Mr. Rose was elected to the new Parliament of the Dominion in 1867 for the County of Huntingdon by a large majority, and in November of the same year succeeded Sir A. T. Galt as Minister of Finance. At that particular time the work of this Department was extremely difficult and complicated. It had to deal with the accounts of the old Province of Canada, with unassimilated Inter-Provincial tariffs and systems of inland revenue, with currency troubles, and special difficulties in the Maritime Provinces. His Budget, financial measures and tariff re-adjustment showed, however, much ability. In July, 1868, he successfully floated half of the Intercolonial Railway loan in London, and during the succeeding session introduced his much discussed and not very popular currency and banking scheme in Parliament. It was distasteful to western members of the House and to the bankers, and had ultimately to be withdrawn. Mr. Rose resigned his position and left Canadian public life in September of the same year to reside in England, where he became a partner in the well-known banking firm of Morton, Bliss & Company, or as it was now termed, Morton, Rose & Company. He had been a delegate at the Conference in London regarding Confederation in 1867, and later on was appointed to inquire into the financial grievances of Nova Scotia. He was a member of the

Royal Institution for the Advancement of Learning; a Governor of the University of McGill College; a Major of the Light Infantry Volunteer Militia; a Director of the Montreal Telegraph Company and of the North British and Mercantile Company; and President of the City Gas Company. His efforts in 1869 at Washington resulted in an informal Convention, from which came the Treaty of 1871. In 1870, Mr. Rose was made a K.C.M.G.; in 1872 a Baronet; and in 1878 a G.C.M.G., in recognition of his services as Executive Commissioner of Canada at the Paris Exhibition. Sir John Rose was appointed Receiver-General of the Duchy of Lancaster in 1883 by the Prince of Wales, and in 1886, he became an Imperial Privy Councillor. He died in 1888.

**The official figures of Chartered Banking in Canada, so far as its paid-up capital, notes in circulation and total deposits are concerned, have been as follows:**

Year.	Capital paid-up.	Notes in Circulation.	Total on Deposit.
1868....	\$30,507,447	\$9,350,646	\$33,653,594
1869....	30,752,637	9,539,511	40,028,090
1870....	33,031,249	11,149,031	48,763,205
1871....	37,095,340	20,914,637	56,287,391
1872....	45,190,085	25,296,454	61,481,452
1873....	54,600,561	27,165,875	65,426,042
1874....	60,388,340	27,904,963	77,113,754
1875....	64,452,846	23,035,639	74,642,446
1876....	66,804,398	21,245,935	72,852,686
1877....	65,206,009	20,704,338	74,106,287
1878....	63,682,863	20,475,586	70,856,253
1879....	62,737,276	19,486,103	73,151,425
1880....	60,052,117	22,529,623	85,303,814
1881....	59,534,977	28,516,692	94,346,481
1882....	59,799,644	33,582,080	110,133,124
1883....	61,390,118	33,283,302	107,648,383
1884....	61,579,021	30,449,410	102,398,228
1885....	61,711,566	30,720,762	104,014,660
1886....	61,662,093	31,030,499	111,449,365
1887....	60,800,561	32,478,118	112,656,985
1888....	60,345,035	32,205,259	125,136,473
1889....	60,229,752	32,207,144	134,650,732
1890....	59,974,002	32,834,511	135,548,704
1891....	60,700,697	33,061,042	148,396,968
1892....	61,626,311	33,788,679	166,658,471
1893....	62,009,364	33,811,925	174,776,723
1894....	62,063,371	31,166,003	181,743,890
1895....	61,800,700	30,807,041	190,916,939
1896....	62,043,173	31,456,297	193,616,049

The percentage of liabilities to assets was 56.55 in 1868; 54.45 in 1878; 67.35 in 1888; and 72.39 in 1896.



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